HINE connoisseurs' cognac

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

UK seeks new EEC rules on air fares

Britain urged the European Commission to rush through new rules to liberalise air fares by ending the powers of member states to set high fares on scheduled routes.

The move is likely to cause serious disagreement among EEC members. Britain wants the rules to be drawn up before the next meeting of transport ministers, due on December 15.

Trade Secretary John Biffen said the Government was not satisfied with the progress made by the EEC on liberalising fares. Page 9

Defence boost

France will spend FFr 123bn (£11.7bn) on defence next year, 17.6 per cent more than this year.

Walesa victory

Solidarity leader Lech Walesa regained the initiative in his battle to keep control of the independent Polish union when his nominees won key posts. Back Page

School talks bid

The SDP invited public schools to start talks on ways to integrate parts of the private sector with the state system. Back Page; Conference Report, Page 12

Iran crackdown

Iran's fundamentalist leaders launched a campaign to purge the Majlis (parliament) of moderates, supporting former Prime Minister Mehdi Bazargan.

£1.5m gems raid

Two armed men robbed a Mexican couple of jewels worth FFr 16m (£1.5m) in their Paris hotel room. The haul included a 45-carat diamond ring.

Patient kills 5

A 23-year-old mental patient killed five and wounded 14 other patients in a knife attack at a Manila asylum.

Van attack ruling

A 20-year-old man who hurled a petrol bomb at a police van in Birmingham's summer riots was jailed for four years after being found guilty of attempted arson.

Hijacker jailed

A 21-year-old Pole who hijacked a Polish airliner to West Berlin in July was jailed there for five years.

Sunday Times up

The Sunday Times plans to raise its price by 5p to 40p on October 18 but newsagents and distributors are angry because they will not receive any share of the rise.

Rice crop hit

A drought has destroyed almost half the rainy season rice crop in the south-eastern Kampuchean province of Svay Rieng.

No-ghost zone

Peking's Forbidden City dismissed rumours that ghosts had been seen dancing on its walls.

Briefly...

Schoolbus and lorry collided near Glasgow injuring 20 children.

French air force stunt pilot Lt Col Guy Charvet died on a training flight crash.

Soviet seamen rescued three Portuguese fishermen wounded by pirates in the Atlantic.

Prince Ivan Maxoutoff former Imperial Russian colonel died aged 98 in Switzerland.

Liz Forsdick of Horsham will be the first women to officiate in an FA Cup match.

BUSINESS

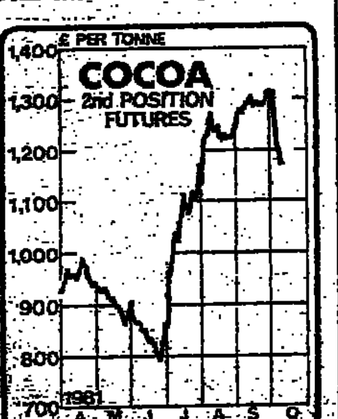
Sterling up 3.1c; Cocoa off £33.5

● STERLING gained 3.1 cents to close at $1.9 in London, its highest level since July 7. It improved to DM 4.19 (DM 4.1475), FFr 10.5 (FFr 10.39), to SwFr 3.545 (SwFr 3.51) and Y433.5 (Y426.5). Its trade-weighted index rose to 89.8 (88.4). Page 33

● DOLLAR fell to DM 2.2045 (DM 2.219), to FFr 5.5275 (FFr 5.5625), to SwFr 1.865 (SwFr 1.8775) and was unchanged at Y228.25. Its trade-weighted index dropped to 107.2 (107.4). Page 33

● GOLD rose $1.5 to $446 in London. In New York the Comex October close was $448.5. Page 33

● COCOA prices dropped further with the buffer stock of the International Cocoa Organisation effectively withdrawing from the market by failing to



announce a purchase price for its support buying programme. On the London futures market the March position closed £33.5 down at £1,171. Page 39

● EQUITIES: The FT 30-share index finished one point up on the day at 487.7. Page 40

● GILTS improved with the Government Securities Index finishing 0.36 up at 61.92. Page 40

● WALL STREET was up 7.8 at 876.52 near the close. Page 34

● THOMAS COOK is to launch a D-mark travellers cheque early next year.

● EXPORTS TO IRAQ from the UK should top £500m this year said Trade Secretary Mr John Biffen. Page 6

● BRITISH TEXTILE Confederation urged EEC governments to put pressure on the Commission to stiffen its stance in the coming Multi-Fibre Arrangement talks. Page 6

● JAPAN has been warned to abandon its "perilous" trade policies or face tough EEC action. Back Page

● NIPPON LIGHT METAL, Japan's largest aluminium smelter, plans to freeze 30,000 tons of capacity. Page 30

● TEXACO has made a North Sea oil discovery which could clear the way for a $3bn (£1.6bn) development project. Back Page

● RONSON'S plant at Leatherhead, Surrey is to be advertised for sale freehold next week. Back Page

COMPANIES

● MINET HOLDINGS, the insurance concern, advanced pre-tax profits to £5.81m (£3.97m) for the first half of this year. Page 24; Lex, Back Page

● JAMES FINLAY, the international trader and financier, increased taxable profits to £5.87m (£5.43m) for the first half of 1981. Page 24

● HEWDEN-STUART, the plant hirer and seller's pre-tax profits slumped to £128,876 (£2.75m) for the six months to August 2. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas 13pc 2000	£851	+ 1
Aberdeen Land	395	+ 17
Blue Circle	462	+ 12
Bruntons (Msbrgh)	120	+ 17
Cater Ryder	295	+ 15
Currys	183	+ 8
Farnell Electronics	470	+ 15
First Castle	98	+ 8
Horizon Travel	218	+ 11
House of Fraser	149	+ 4
JB Holdings	90	+ 8
Linfood	152	+ 7
Provident Financial	108	+ 6
Reed (Austin) A	68	+ 10
Reed Intnl	245	+ 11
Ruberoid	88	+ 9
Saga Holidays	330	+ 15
Sotheby Parke Bnt	437	+ 17
Union Discount	432	+ 22
Utd Carriers	158	+ 9
Willis Faber	358	+ 11
Wood Hall Tst	137	+ 9
Berkeley Explor	290	+ 10
KCA Intnl	128	+ 8
Blantyre Tea	90	+ 13
Alliance Oil Devel	97	+ 6
Beach Petroleum	183	+ 10
Bridge Oil	132	+ 10
Cn Pacific Minerals	56	+ 12
Hemerdon Mining	54	+ 7
Moonie Oil	165	+ 15
RTZ	490	+ 15
Sthrn Pacific Pet.	25	+ 4

FALLS

Glaxo	382	− 8
Hambro Life	338	− 9
Small and Tidmas	75	− 13
BP	294	− 6
Ultramar	453	− 7
Rustenburg Plat	230	− 15
UC Investments	620	− 30

Dip in world interest rates raises hopes of easier credit

BY OUR FINANCIAL STAFF

INTEREST RATES around the world started to fall yesterday, raising hopes in industry and on financial markets that the international credit squeeze is about to abate.

The most pronounced move came from the West German central bank, the Bundesbank, which took the first cautious step in easing its two-year-old tight-money policy. It followed this week's fall in U.S. interest rates and the weekend realignment in the European Monetary System.

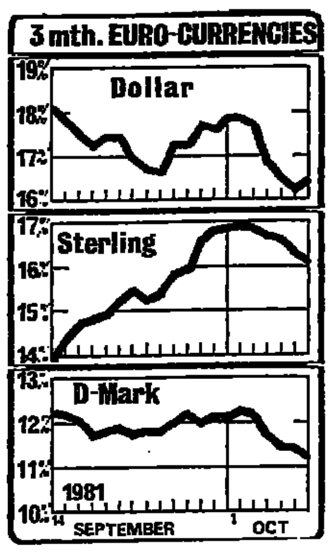
In New York, Chase Manhattan Bank initiated another ½ point cut in U.S. banks' prime rates, down to 18½ per cent. Money market rates in London also fell. The drop, if it continues, could lead to a cut in British clearing banks' base rate after their 2 point rise last week.

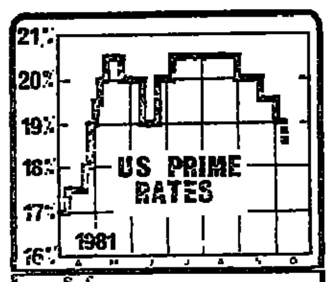
In West Germany a one-point cut in the "special Lombard" rate, at which the Bundesbank makes loans to commercial banks led off the day's events.

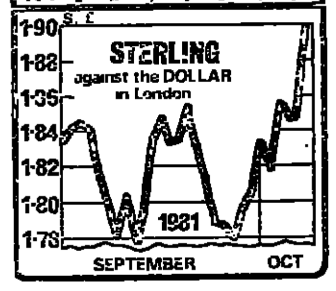
Interest rates also eased in Paris following the relative firmness of the French franc after its weekend devaluation within the EMS.

Despite the fall in UK interest rates, the pound had one of its best days for several weeks on the foreign exchange markets yesterday, rising by over three U.S. cents on the day in London against the dollar to $1.90. Sterling's effective exchange rate, measured against the Bank of England's basket of currencies, rose by 1.4 to 89.8.

The pound is profiting not only from general dollar weakness but also from nervousness about oil supplies in view of the unsettled state of the Middle East after President Anwar Sadat's assassination.







Continued on Back Page

Burden on West German industry eased, Page 3; Money Markets, Page 33; Lex, Back Page

Stronger pound hits markets, Page 39

Mortgage rate rise to 15% expected

BY ANDREW TAYLOR

A TWO PERCENTAGE point rise in building society base mortgage rates to 15 per cent is expected to be announced today following a meeting of building society managers in London yesterday.

At the same time societies are expected to announce a rise in the recommended ordinary share investment rate from 8¼ per cent to 9¾ per cent. The increases follow a 4 per centage point rise in bank base rates since September 16.

A two percentage point rise in the mortgage rate would increase gross monthly repayments on a £15,000 loan over 25 years from £170.55 at 13 per cent. to £193.50.

Figures to be published today will show that building society net receipts in September rose from £244m to about £334m. However, building societies said that although the September figures were better than expected the money would quickly flow out again if investment rates were not increased.

An increase to a 15 per cent base mortgage rate—with higher rates charged by socieities for larger loans—will take the cost of a building society home loan back to the record levels of last winter. The increase will come as a further blow to housebuilders who had alredy reported a slowing in the rate of house sales over the past few months.

A number of housebuilders in the last few weeks have announced a series of special home loan deals ahead of today's expected rise in the mortgage rate. The schemes offer to keep the mortgage rate fixed for new home buyers at between 9.75 per cent and 13 per cent for periods up to one and a half years. Builders are willing to subsidise mortgage payments in a bid to boost flagging sales.

The housing market has come under increased strain as rising interest rates, mounting unemployment and the squeeze on real incomes has further eroded house

Continued on Back Page

Gross monthly repayments on a £15,000 and £10,000 loan over 25 years

	13%	15%
£10,000	£113.70	£129.00
£15,000	£170.55	£193.50

Howe defends Tory policy amid fresh criticism

BY RICHARD EVANS, LOBBY EDITOR

THE SHARP conflict within the Conservative Party over the economy intensified yesterday with further demands for change from the Government's critics and a spirited defence of economic strategy from Sir Geoffrey Howe, the Chancellor.

Mrs Margaret Thatcher, who returns today from visits to the Middle East, Pakistan and the Commonwealth Conference in Australia, will find her party in extraordinary turmoil only days before the Tory Conference opens in Blackpool next Tuesday.

The week seems certain to be dominated by dissension over the thrust of the Government's economic policies, particularly the impact of high interest and mortgage rates and the social divisiveness of rising unemployment.

The spread of anxieties within the party was illustrated yesterday in a pamphlet published by a group of 13 young Tory MPs which urged the Government to embark on a selective programme of reflation, and to stop being obsessed with monetarism.

Mr Geoffrey Rippon, former Tory Cabinet minister, added his voice to demands for a change of direction and called for a return to consensus politics and an avoidance of confrontation. A similar line was voiced by Mr Edward Heath, the former Prime Minister, on Tuesday.

Sir Geoffrey's rebuff to critics underlined Mrs Thatcher's determination to stick to her strategy for curbing inflation for the second half of this parliament, despite signs of a growing revolt as MPs and party activists appreciate the difficulties the Government faces in regaining electoral popularity before the next election.

The Chancellor, speaking during the Croydon North West by-election campaign, stressed yesterday that, if there were quick, easy solutions to the country's economic difficulties, politicians would have found them.

In a veiled reference to Mr Heath he declared: "The British people should beware of those who now claim—after years in which they and others in government have struggled with Britain's stubborn economic difficulties—to have discovered the philosopher's stone."

One of the main tasks facing the Tory Government since the election had been economic reality after years of make-believe. The country to face was presenting... was essentially the same as seven or eight years ago. "These fundamental truths are recognised by responsible governments throughout the free world, yet in Britain they are still challenged."

Mr Heath re-entered the conflict yesterday with an angry letter in The Times in which he rejected allegations that he had refused to serve in Mrs Thatcher's administration.

He wrote that the Prime Minister had made it clear to him when she gained office that there was no place for him in her government. Instead he was offered—and rejected—the post of Ambassador to the U.S.

Mr Heath's ferocious onslaught earlier this week on the Government's economic strategy has clearly been an embarrassment to the group of Tory MPs who drafted the pamphlet, Changing Gear, published yesterday. This argued the case for the Government to move towards a policy of cautious reflation.

The authors, who include two backbenchers promoted into the Government in the latest reshuffle, warn that the Tory party must not be left fighting inflation as the sole object of policy when there was an overwhelming desire for a sensible programme of industrial and social reconstruction to relieve unemployment.

The 13 MPs were coy yesterday about their intentions if their proposals received a flat rejection from Mrs Thatcher. Any talk of refusing to support the Government was premature, it was argued.

Another development yesterday was an intervention from Mr James Callaghan, the former Labour Prime Minister, in what could be taken as a call for a coalition of forces against Mrs Thatcher. He urged Conservative dissidents to have the courage of their convictions and to oppose Mrs Thatcher's policies when parliament returns in two weeks time.

In a speech at Whitehaven, Mr Callaghan proposed that Mr Foot, the opposition leader, should start talks with other parties and with potential rebels to see how those who disagreed with the Government's economic policies could voice and vote...

Page 7; SDP seeks compromise on private education, Back Page

£ in New York

—	Oct. 7	Previous
Spot	$1.8800-8820	$1.8470-8500
1 month	0.10 dis-flat	0.07 dis-flat
3 month	0.05-0.15pm	flat 0.10pm
12 months	0.50-0.70pm	0.30-0.50 pm

Gun battles hit Egypt

BY ANTHONY McDERMOTT IN CAIRO

EGYPTIAN POLICE were moved quickly into the city of Asyut yesterday to reinforce local forces engaged in running gun battles with Islamic fundamentalists.

The violence was the worst in Egypt since the January 1977 riots about food price rises, and came in defiance of a state of emergency imposed after Tuesday's assassination of President Anwar Sadat.

Soon after dawn Moslem extremists in the city were reported to have opened fire with machine-guns on police who attempted to break up an open air prayer meeting.

Mr Abdel Aziz Eid, a senior official of Asyut province, 250 miles south of Cairo, said the extremists, wearing stolen police uniforms, then marched through the town and stormed the local headquarters of the security forces and a police station.

Police later managed to regain control of the buildings. As night fell, shooting was reported from different parts of the city.

Asyut has a reputation for Islamic fanaticism. There have been regular clashes between Moslems and members of the Christian Coptic minority and between Moslems and the police. In January, police broke up riots by extremists at the university and were said to have arrested about 500 people.

Cairo, by contrast, was calm yesterday with only one minor incident reported in the northern suburb of Shoubra where a petrol bomb was thrown into a bus terminal.

Foreign heads of state and other dignitaries are due to arrive in Cairo today for the funeral tomorrow of President Sadat.

Vice-President Hosni Mubarak whose nomination for the Presidency was approved on Wednesday night by the People's Assembly later the same evening gave assurances that he would press ahead with the late president's policies, including peace with Israel. As a symbol of his desire to maintain this course, he had selected an Israeli afternoon newspaper for a personal interview.

● The U.S. may boost the financing and delivery of arms to Egypt as a measure of support for Vice-President Mubarak. Officials in Washington have disclosed substantial U.S. spending on former President Sadat's personal security.

Full reports, Page 4

Reagan may step up arms supplies, Page 4

Train fares to rise by 9½%

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

TRAIN FARES are to go up by 9½ per cent from November 29, British Rail announced yesterday.

The across-the-board increase is the first for exactly a year. It comes as British Rail heads for a serious financial crisis with a forecast 1981 loss of £140m, double the 1980 loss, and falling numbers of passengers.

Fares rose last November by an average of 19 per cent, the second increase last year, bringing total rise in train fares since January 6 1980 to 42.8 per cent.

This high increase drove passengers from the trains at a time of deepening recession, increasing operating costs and fierce competition from cut-price motorway express coach operators.

The low increase now planned is a direct response to these increasing pressures on its business. The aim is to stimulate rail traffic.

This rise is "one of the lowest applied in recent years and is below the current rate of inflation, about 11 per cent," BR said. "The decision to apply a single-figure overall increase is a deliberate business move by the board to restore customer confidence."

Extra rail traffic was essential, BR said, if a second increase in fares was not to come in the next 12 months.

BR intends to cut its operating costs to achieve a stable fare structure for 12 months.

Action is to be taken to cut the quality of Inter-City services. Train lengths will be reduced with fewer more crowded Inter-City and carriages and fewer services from May.

This will bring the level of services offered more in line with the current low level of demand. Similar economies were made on London commuter services earlier this year.

FARES FROM NOVEMBER 29 (£)

London to	British Rail ordinary single	British Rail day return	British Airways economy single	British Airways standby	National Express coach single
Birmingham	11.30	11.80			3.00
Bristol	11.70	12.30			3.50
Cardiff	14.60	15.40			3.50
Edinburgh	32.50	34.50	54.00	25.00	
Glasgow	30.50	32.00		25.00	5.00
Liverpool	18.90	19.90			
Manchester	18.90	19.90	38.00	20.00	4.50
Newcastle	28.00	31.50	48.00	21.00	6.50
Sheffield	[illegible]	15.60			

BRITISH RAIL train drivers have called an official one-day strike on October 21 in protest at cuts in services. Souhern Region services are expected to be disrupted today by unofficial action at Waterloo station in London. Back Page. Restraint on increases, Page 8.

CONTENTS

For latest Share Index phone 01-246 8026

Vigers Industrial

FOR DISPOSAL
Details from Ref: ETF/PCS.

London N2 Staples Corner	5,250 sq.ft.	To Let
London E16	116,000 sq.ft.	To Let
London E16	OPEN SITE 1.57 acres	To Let
Bristol	53,000 sq.ft.	Freehold
Cardiff	10,000 sq.ft.	To Let
Great Yarmouth	29,000 sq.ft.	To Let
Harlow	80,000 sq.ft.	Ground Lease For Sale
Ipswich	22,500 sq.ft.	To Let

FOR ACQUISITION
Details to Ref: PAB/ETF.

London N1	Units from 1,500/6,500 sq.ft.
London N2	10,000 sq.ft.
London, Midlands & S.E. England	Sites for D.I.Y. Buildings 20/50,000 sq.ft.
Greater London	Ground Lease Sites for Nursery Units
Green Belt/M25	Sites for Golf Courses and Industrial Parks

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EUROPEAN NEWS

Employers attack Spanish budget

BY ROBERT GRAHAM IN MADRID

THE SPANISH employers' federation CEOE, has attacked strongly the Govrnment's 1982 budget proposals which envisage a 26 per cent increase in current expenditure to Pta 3,533bn (£20.5bn). Sr Jose Luis Ceron, the CEOE's chief economic spokesman, said that rapid increases in public spending were leading Spain towards bankruptcy.

This attack on budgetary policy is further proof of the growing rift between the CEOE and the government of Sr Leopoldo Calvo Sotelo. At the CEOE's annual meeting on September 9, Sr Carlos Ferrer Salat, the federation's president, warned the government that if its policies were not more coherent it could not count on the support of the business community.

Then, on October 1, the CEOE walked out of a tripartite commission set up to oversee the wages and employment pact signed in June by them, the government and the unions to cover 1982.

Sr Ceron said that the 26 per cent increase in current spending was unacceptable when the GDP was unlikely to grow by more than 15 per cent in peseta terms.

Money was being diverted away from productive investment. "With the present rhythm of expenditure, each three years the budget is being almost doubled, and next year alone, the increase is nearly equivalent to the total budget of 1976," he said.

The proposed increase, which has to be endorsed by parliament is Pta 755bn, compared with the total budget of Pta 785bn in 1976. To the budget must also be added the increasingly heavy burden of social security expanditure.

For 1982, these will be Pta 2,333bn with the state financing 15 per cent directly equivalent to Pta 350bn compared with 10 per cent or Pta 216bn last year. Pensions will absorb almost 53 per cent of this.

The CEOE has also made it clear that it was still withholding its co-operation in discussing the wages and employment pact for 1982. Sr Ferrer Salat said that participation remained "suspended" pending the clarification of certain issues.

The main reason given is that the government made a secret agreement with the trade unions to provide a grant of Pta 2.4bn to aid their finances—a step regarded by the government and the unions as a form of settlement for union property nationalised by the Franco regime. However, the CEOE appears to be using this as a weapon against the government.

Hugh Routledge

Sr Leopoldo Calvo Sotelo . . . caught in a rift

Switzerland's inflation rate rises to an annual 7.5%

BY JOHN WICKS IN ZURICH

THE SWISS inflation rate rose to an annual rate of 7.5 per cent last month, according to a parliamentary statement by Fritz Honegger, Economics Minister.

While Mr Honegger added that there should be a slowing of inflation "towards next spring," consumer prices seem likely to show further marked increases for the rest of this year.

A report by the bank council of the Swiss National Bank, just published, predicts that there will be little change in the upward trend in the cost of living in the next few months.

The official Commission for Economic Studies at the same time looks for an acceleration in Swiss inflation rate unless there is a noticeable change in the exchange rates.

The Commission points to continued consumer demand, the anticipation of wages to meet inflation and the nation's full employment, saying that these factors will permit the passing on of higher production costs

At the same time, the price index is expected to be pushed up in November, when the semi-annual rent index adjustment will reflect the latest rise in mortgage rates.

Despite this, the Commission stresses that Swiss inflation rate could be dampened rapidly by a marked alteration in the Swiss franc-dollar exchange rate.

Portugal's schools face crisis

By Diana Smith in Lisbon

PORTUGAL'S educational authorities must invest the equivalent of £666m over the next four years to plug gaps in the state system. Schoolchildren returned to class this week to face shortages of 200 schools.

The shortcomings are so severe that in some areas, state-run schools cannot begin classes until later this month. Meanwhile, many schools work on overcrowded shift systems that frustrate teachers and pupils. Results this June, with failures for over half the pupils who took annual exams, reflect these serious problems.

The trouble has accumulated for years: illiteracy and truancy were commonplaces of the old Portugal, when small children worked in the fields with their parents or took menial jobs in cafes or offices.

Nowadays, more children go to school and stay for six years of compulsory education, or remain on until the twelfth year of primary and secondary schooling. Physical and personnel resources lagged far behind the growing demand

Netherlands 'should double spending on energy research'

BY CHARLES BATCHELOR IN THE HAGUE

THE NETHERLANDS should aim to nearly double its spending on research into energy sources over the next four years with private industry taking a larger share of the total budget. This is the main conclusion of a report prepared by the Council for Energy Research published yesterday.

In the most comprehensive survey of energy-related research carried out in the Netherlands, the Council called for spending to rise to Fl 1.52bn (£331m) in 1985 from Fl 884m this year.

Research accounted for only 2 per cent of total Dutch energy spending of Fl 37.3bn in 1980. Fuel costs accounted for Fl 29.5bn, investment in energy production for Fl 4bn and investment in energy saving for Fl 3bn.

Industry accounted for 59 per cent of total spending in 1981 with the remaining funds coming from government sources. According to current estimates, industry's share would fall at around 52 per cent of spending in four years time. The Energy Research Council wants an increase to 62 per cent.

Top priority should be given to spending on energy saving followed closely by coal and support technologies such as fuel conversion and storage. Oil and gas, the two pillars of current energy policy, are accorded fourth place.

Coal will account for the largest slice of energy research in 1985—Fl 469m compared with Fl 138m in 1981. spending on oil and gas should rise to Fl 282m from Fl 246m while energy saving should rise to Fl 246m from Fl 140m. Spending on wind research should increase seven-fold to Fl 82m.

The report urges spending on fast breeder technology to be reduced

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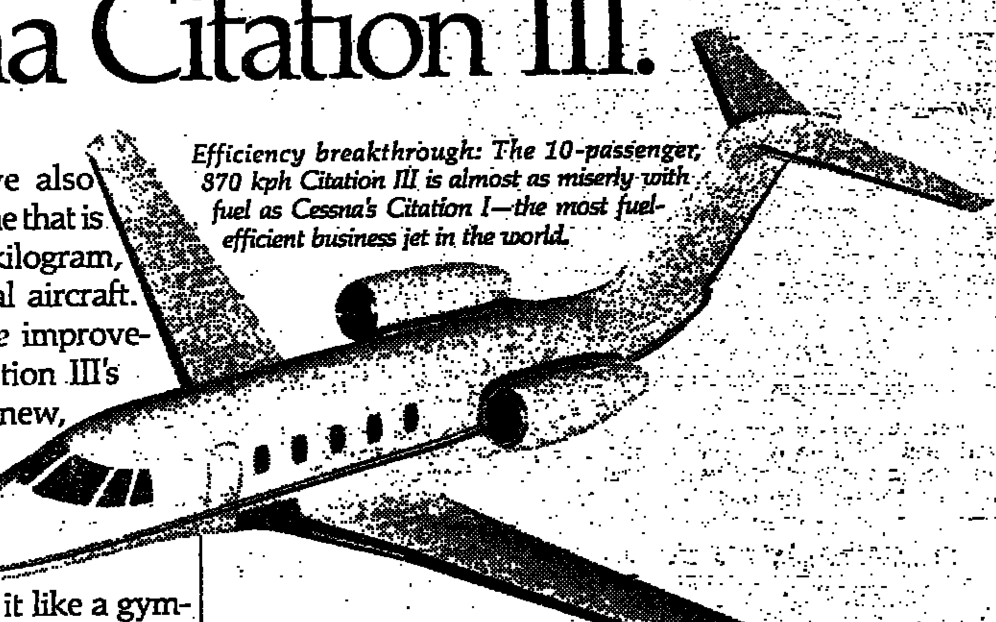
Countdown to certification: A progress report on the world's most advanced business jet. Cessna Citation III.



Efficiency breakthrough: The 10-passenger, 870 kph Citation III is almost as miserly with fuel as Cessna's Citation I—the most fuel-efficient business jet in the world.

Just months away from FAA acceptance, the 10-passenger Citation III will be the only all-new American business jet to win its wings since 1971. And that plane was ours too!

IN 1975, CESSNA ENGINEERS started from scratch to create a totally new kind of jet. It would be called Citation III, and use technologies others would not offer, even a decade beyond.

An aviation dream coming true

Since Citation III came off the drawing board and took to the skies, it has passed many important milestones. We have explored all areas of the operating envelope, including high-speed tests to Mach .9—and nine-tenths the speed of sound—and altitudes to 15,550 meters. The aircraft performs flawlessly.

Citation III is the only aircraft in the world with the new Garrett TFE-731-3B-100S engines. Specially designed for Citation III, and already FAA certified, this new fanjet offers superior fuel efficiency at higher altitudes.

But the biggest news of all is that the development phase of Citation III is complete. FAA pilots have begun the official flight certification program, with approval scheduled for April of 1982.

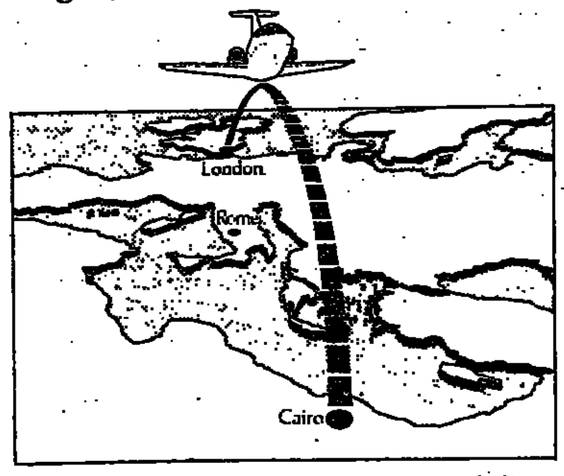
Exceeded our expectations

A multitude of improvements has grown out of Citation III's extensive development program. Flight test data show Citation III has exceeded even Cessna's expectations for maximum allowable speed, time to climb, fuel efficiency, and combined range/payload.

The new high-altitude engines and supercritical wing are so efficient Citation III can cruise above the weather and above other traffic at speeds up to 870 kilometers per hour. And it does so with fuel efficiency approaching Citation I—the most fuel-efficient business jet in the world.

Most rigid tests ever

Many people are surprised to learn that Citation III is designed to meet the new, tougher, U.S. Federal Air Regulations Part



Citation III can carry six passengers and all their baggage 4600 kilometers nonstop—or from London to Cairo with fuel to spare.

25—the same regulations that apply to the next generation of commercial airline jets. No other business jet now flying has had to undergo such close scrutiny.

New materials and "double safe" construction techniques have also given Citation III an airframe that is lighter, yet kilogram for kilogram, stronger than conventional aircraft.

One of the most visible improvements to come from Citation III's development stage is a new, wider, one-piece cabin door. Unlike the clamshell design found on many jets, you don't have to swing up through it like a gymnast. Citation III's stairs are at a comfortable angle, well lighted, with a solid, built-in handrail.

An intercontinental cabin

Once inside, you will notice Citation III's passenger compartment is exceptionally spacious and comfortable. The cabin is fully 5.4 meters in length. Citation III also gives you standup headroom. So you can stretch your legs and move around in flight.

Thoughtfulness for the passengers shows up in other ways, as well. The elegantly appointed lavatory is the full width of the cabin and also has standup headroom.

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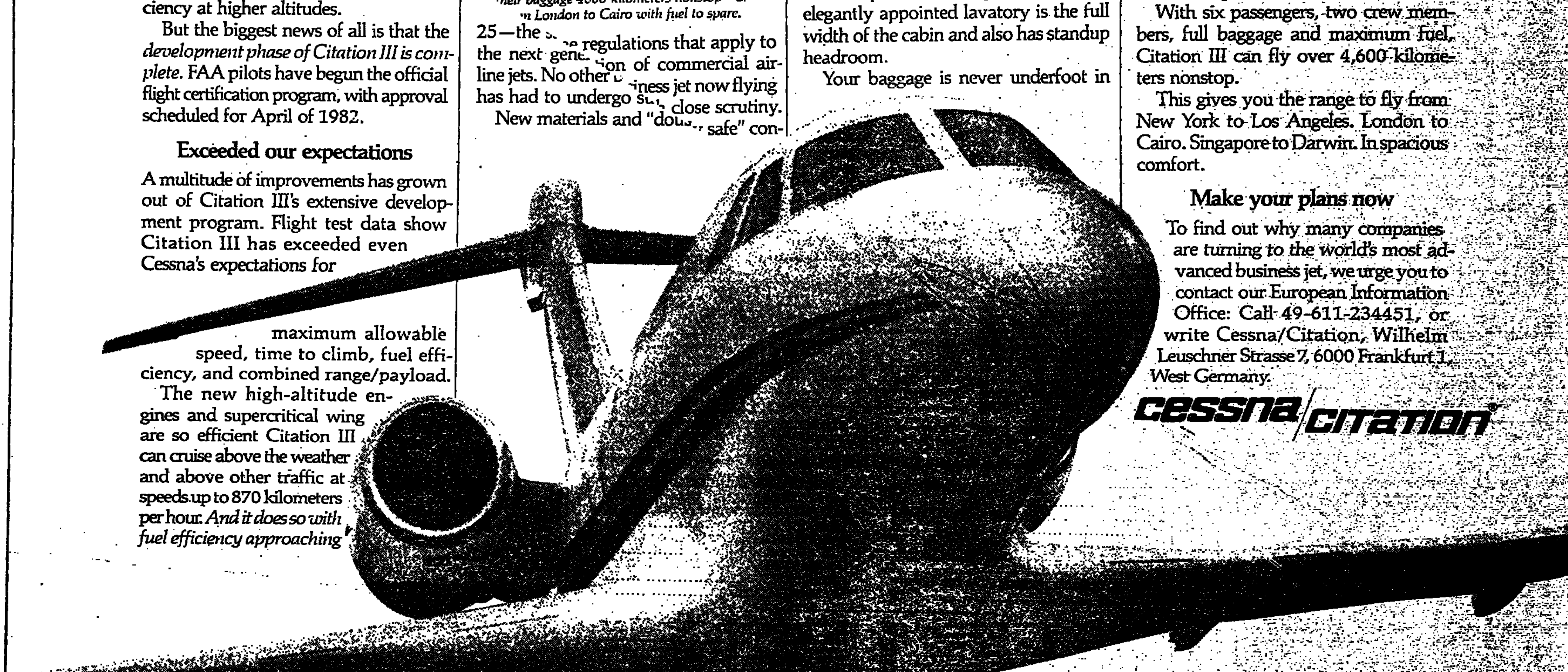

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Plans for expansion 'will urge more active EEC borrowing'

BY TERRY DODSWORTH IN PARIS

THE FRENCH plan for a European expansion programme, due to be presented officially next week, is expected to advocate a more active EEC borrowing policy, as well as measures to stimulate and co-ordinate industrial development in the Community.

According to the Paris daily Le Monde, the plan also goes into detail on previously-floated French ideas for a concerted attack on unemployment, investment in the energy sector, and *the improvement of co-operation with the Third World.*

The French Cabinet put the *finishing touches* to the plan at its meeting *on* Wednesday. It will be formally announced at the Prime Minister's residence next Tuesday, in a demonstration of the importance the new Socialist administration attaches to the proposals.

In framing this appeal for *joint European* action, the French Government is underlining its belief that the EEC member nations have a common interest in tackling problems such as inflation and unemployment.

But, at the same time, the Government is convinced that some of its ideas for reform in France, such as the reduction of the working week to 35 hours, can only be effectively implemented if other countries fall *into line at the same time.*

While avoiding the delicate question of financing, the report says that the EEC should make greater use of its borrowing powers to raise money for specific investment projects. These funds should be spent, the *French suggest, on energy economising,* regional development and research and technology.

On employment, the report advocates more use of the EEC's social fund for schemes to create jobs and reduce working hours. Government should also make greater efforts to encourage cooperation from both sides of industry at the European level, it adds.

In the industrial field, the French propose, active collaboration in the development of new sectors, while reducing the barriers on trade which result either from technical regulations or from public buying policies. They also suggest that *a boost should be given to joint* research projects by linking laboratories in cross-frontier agreements.

On energy, the plan not only goes further in support of new economising techniques, but also advocates the development of methods to produce fuel from vegetable matter.

Thyssen optimistic on steel outlook

DUSSELDORF — Thyssen, West Germany's leading steel producer, is "significantly more optimistic" about the *outlook for steel than* at the end of last year, Herr Heinz Kriwet, chief sales executive, said.

In an interview in Handelsblatt, a financial newspaper, he said he expects West German crude steel output to rise by 4 to 6 per cent in 1982 from the about 40m tonnes anticipated this year.

This optimism is based on the expected economic improvement at home and worldwide, *Herr Kriwet said.* Reuter

Gibraltar move

THE UK Government may try to reverse a House of Lords decision to give citizens of Gibraltar full status under the controversial Nationality Bill. Lord Belstead, under-secretary, Home Office, said yesterday that he did not rule out the possibility. The government's view on confining Gibraltarians to citizenship of "British dependent territories" had not altered since the summer, the Press Association reports.

Election threat lifted

The threat of a Danish general election in the immediate future was removed definitely yesterday, Hilary Barnes reports from Copenhagen. The Social Democratic minority *government* and the three centre parties which usually support *it presented a joint resolution* to the Folketing, calling for provision of capital to industry at *lower interest* rates.

Vatican pay claim

Leader of the Vatican's 1,500 lay employees have agreed to seek larger cost-of-living pay increases for next year, according to officials from the group representing the workers. The Association of Lay Vatican Workers, which serves as the workers' union has approved a platform for negotiations. The group called for an unlimited number of 3 per cent salary increases each year linked to the cost of living, AP reports from Vatican City.

WHY THE BUNDESBANK CUT ITS 'SPECIAL LOMBARD' RATE

Burden on W. German industry eased

BY STEWART FLEMING IN FRANKFURT

EVER SINCE Herr Karl Otto Poehl took over in January 1980 as president of the Bundesbank, the West German central bank, *he has had* the thankless task of imposing on the West German economy a high interest rate monetary policy aimed at fighting inflation and supporting the D-Mark on the foreign exchanges.

Yesterday, the central bank *took the first step towards* lifting this burden from West German industry. It decided *that the economic and political* threats posed by its tight monetary policy are greater than the dangers it must face in gently releasing the monetary brakes.

That, in essence, is the implication of yesterday's *announcement* that the central bank's "special Lombard" rate, which was raised from 9 *per cent to* 12 *per* cent in February of this year, is to be cut to 11 per cent.

The Lombard rate is the rate of interest the central bank charges the banking *industry for short-term loans.*

The reduction is unlikely to have any dramatic impact on the *cost of* loans for the banks' customers—indeed, that is one of the attractions of the decision *to the* Bundesbank.

It means that the central bank can keep the restrictive thrust *of monetary policy intact while* satisfying the growing chorus of criticism that high interest rates are putting workers *out of jobs* and obstructing the capital investment which is badly needed to keep West German companies competitive.

While the immediate practical impact of the decision in terms of the cost of money to bank *customers may be small,* the symbolic significance of this move is undeniable.

By signalling that it thinks the worst may be over for the West German economy after two difficult years, the central bank's decision should boost business *confidence. It will raise hopes* that West Germany can look forward to the steady decline in interest rates which Chancellor Helmut Schmidt predicted on Tuesday.

Whether these hopes are fulfilled, however, will depend in *part on whether the Bundes*bank is right in its judgment that there is more to be gained by *cutting* the Lombard rate than by fighting inflation to the point where success is certain.

In support of the Bundesbank's move, it can be said that the dangers of pressing on unremittingly with the present policy are considerable while the prospects of a *successful* shift of course have not looked better since Herr Poehl took office.

In the past few months the rate of unemployment, bank*ruptcies and the cost of money* have all hit their highest levels in almost 30 years. Some sectors *of the economy are wilting* under the pressure of a shrinking gross national product—*GNP fell by 1½ per cent in the* first six months — and bank borrowing costs for companies, which have more than doubled from 7 per cent to 15 per cent *since the beginning of 1979.*

Real consumer spending in 1981 is likely to be down in West Germany *for the first time* since the war. Retailing and the construction industry are being hit hard and domestic industrial orders have been flat for 12 months.

The banking sector, the fulcrum of the West German finan*cial system, has been through* two years of falling profits, its capital eroded by securities write-offs which in 1979 and 1980 totalled DM 5.5bn according to the central bank's estimates.

Until the bond market rally of the past month, which has taken yields on top quality, ten-year bonds from 11 per cent to around 10 per cent, the banks were facing further heavy securities losses.

Many were becoming cautious, uneasy about some of their lending to companies which, by U.S. or British standards, have a relatively low equity capital base.

Alongside the problems which a protracted period of recession *and high interest rates* pose for the corporate sector, the central bank cannot ignore the *implications of mounting unem*ployment, which has already put 1.25m West Germans out of jobs —*the highest September figure* since 1952.

There are predictions that the *figure could rise to 1.7m* next year. Youth unemployment is a particular problem, especially with *signs of* growing political alienation among young people *in West Germany.*

West German democracy is young, and no West German politician or central banker is anxious to follow Mrs Margaret Thatcher's example in testing the limits of its tolerance. It is recognised too, that one of West Germany's greatest economic advantages in the post war period has been relatively good labour relations.

There are fears about the impact of mounting unemployment on the mood of the shop floor. The central bank is aware that it needs public support to sustain its policies, and that if its support wanes there will be a growing danger of action in Bonn to stimulate the economy.

The Bundesbank believes that the current account deficit, which hit DM 30bn (£15.7bn) in 1980 after a surplus of DM 18.5bn in 1978, is beginning to improve, in spite of the August setback.

The capital accounts are stronger too. International investors, it seems, are no longer *so infatuated with U.S. dollar* securities and U.S. interest rates, at least in the short-term *money market, have been falling* substantially. Thus the risk that cutting West German rates *will hit the D-mark on the* foreign exchanges is much lower.

The revaluation of the D-mark last weekend within the EMS is hoped will also boost inter*national confidence* in the currency.

It is in the area of inflation *that the central bank is taking* its greatest risk. In September, the cost of living accelerated again to 6½ per cent compared with a year ago. In the next few months the Bundesbank will be watching the inflation figures closely for signs that the stronger Mark is combating in*flationary pressures.*

With conditions in world financial markets so unpredictable, moreover, the central bank is unlikely to keep on pushing its administered *interest rates down rapidly* before there are clear signs of inflation being brought under *control.*

Herr Otto Poehl . . .
Bundesbank president

French Assembly backs future role of reactors

BY OUR PARIS STAFF

THE FRENCH National Assembly has overwhelmingly supported the Socialist Govern*ment's energy policy, ensuring* an important role for nuclear power in the future.

The victory, by 331 votes to 67, is a personal triumph for M Pierre Mauroy, the Prime Minister. He set out to seek a compromise solution between *the widespread support within* the Socialist Party for a radical cut in nuclear stations, and the *all-out nuclear programme* of the previous government.

Under the new 10-year policy, work will begin on six nuclear reactors in the next two years *as against nine in the last Gov*ernment's programme and the four advocated by the Socialist Party's energy experts.

The Communist Party, which supports the Socialists in the Assembly, but which is more pro-nuclear, wanted seven reactors to be started.

The Government's plan means that by the end of this decade, the output of the nuclear industry will fall to around 60 to 66m tonnes of oil equivalent as against 73m in the programme it inherited.

There is no doubt that the modesty of the nuclear power reduction *has caused bitterness* and disappointment *among* several of the Government's supporters.

Schmidt plans to cut budget cash

BY DAVID HOUSEGO IN LATCHE, SOUTH-WEST FRANCE

CHANCELLOR Helmut Schmidt revealed yesterday that he had told President Francois Mitterrand that West Germany intended limiting its contributions to the EEC budget.

Leaving no doubt about the *seriousness of West Germany's* intentions, Herr Schmidt told reporters here that he had made his views clear to the French President.

Both leaders were anxious yesterday to demonstrate the warmth of their personal relationship. It is their fourth meeting since President Mitterrand came to power.

But Mr Schmidt reacted sharply to a question about a Franco-German axis, describing *it as "an abominable expres*sion." M Mitterrand, while saying that it was wrong to have *a situation in which France and* Germany played a magisterial role in the Community, said the *relationship was evidently a* "privileged" one.

An important part of the purpose of holding the meeting at M Mitterrand's secluded house in the wooded countryside of south-west France, was so the leaders could get to know each other better.

European issues in the perspective of the London summit at the end of November dominated yesterday's discussions. M Mitterrand outlined *French proposals*—ratified at a Cabinet meeting on Wednesday —for promoting the recovery of *Europe's economies,* which are being circulated to other European Governments in advance *of the summit.*

A French Government spokesman said there had been thorough discussions of the budget

M Jacques Delors, the French Finance Minister, who joined the heads of government for lunch, said beforehand that the problem of the imbalance of Britain's net contribution had to be tackled.

UK support for nuclear deterrent emphasised

BY ROBERT MAUTHNER

MR. DOUGLAS HURD, Britains Minister of State for Foreign and Commonwealth Affairs, *yesterday emphasised* the British Government's support for a national nuclear deterrent as part of the *Western* alliance's strategy to persuade the Soviet Union to make concessions on disarmament.

"We believe that the policy of deterrence is the best way of preventing war," Mr Hurd said in an address on nuclear weapons an arms control to the Royal Institute of International Affairs in London.

However, if negotiations with the Soviet Union on the reduction of Theatre Nuclear Forces (TNF) were to maintain and, if possible, enhance the Western countries' security, four basic requirements must be met in the British government's view:

- the negotiations must be well enough defined in scope for their consequences to be calculable.
- *reductions of arms must* be balanced.
- arms control agreements should be binding.
- all arms agreements should be adequately verifiable.

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Thunder on the right for Botha

By J. D. F. Jones in Johannesburg

THE good showing of the Harstigte National Party (HNP) in this week's parliamentary by-election in Piketburg has confirmed that the South African Government of Mr P. W. Botha is going to have to live with an established Right-wing white opposition party.

Dr Dare de Villiers, the Minister of Industries, Commerce and Tourism, won the seat without trouble. In spite of a strong effort by the government National Party, however, Dr Villiers could not dent the 13 per cent vote of the Herstigte Nasional Party. The Nationalists failed—in their own stronghold of the western Cape—to win back the disaffected voters of last April's general lection in spite of Mr Botha's recent soft-pedalling on the reforms he favours.

The well-known battle between *verligte* (enlightened) and *verkrampte* (conservative) will no longer be waged only within the confines of the National Party. It is out in the open between Nationalists and the breakaway HNP. This Party is now certain it will continue as a magnet to other Nationalists who feel unhappy about any relaxation of hardline apartheid.

Although Mr Botha's electoral position sems unassailable, he will find it hard to ignore the backlash his policies have created, and his awareness of the new Right wing may effect all the important political issues facing the South African government, including constitutional change, black homeland development, and even the future of South East Africa/Namibia.

The HNP has been riding high since the April election when it shocked the Government by winning nearly 200,000 votes. Although it won not a single parliamentary seat, it increased its share of the vote from 3.2 per cent in the 1977 poll to 13.85 per cent. The defections from the National Party, plus the suspected drift of former United Party "middle ground" voters across to the Right, must have been largely responsible for the Government's subsequent faltering on the road to reform.

Since April, the defections have continued. The HNP won a seat on the Pretoria council and its leader, Mr Jaap Marais, has been bold in his claims of wholesale desertions by the traditionally loyal National Party voter.

The Prime Minister has termed the HNP's policies unrealistic, irrational and racist. The party promises to end "forced racial integration," return to the principles of the former Prime Minister, Henrik Verwoerd, cut spending on the blacks and their homelands, and even "retake South-West Africa for the whites" if the Government continues with its programme for a negotiated Namibian independence.

While the HNP is by far the most important of the Right-wing organisations, a new alliance has just been formed which brings together four others and, by straddling a range of opinion from the Pretoria intellectual to the neo-Nazi, may win a certain influence.

This alliance is called Action—save white South Africa. Its fundamental policy is the "inalienable right of the whites to rule." The member groups are:

- The National Conservative Party, led by the disgraced former Cabinet Minister, Dr Connie Mulder, who once had the chance of being Prime Minister. Dr Mulder seems to have realised that his party cannot go far on its own and is said to be interested in climbing on board the HNP bandwagon.
- The Afrikaner Weerstandsbeweging, that is the "Afrikaner resistance movement." This is unashamedly neo-Nazi, complete with a motor-cycle brigade in leather jackets, the Stormvalk.
- The Aksie Eie Toekoms—literally "action-own future"—is more interesting. It is a recently-formed pressure group of right-wing Afrikaner intellectuals and apparently attracts a more subtle and influential member, often from inside the establishment and even from inside the Broedrbond, the all-important Afrikaner cultural and political secret organisation.
- Finally the alliance includes the Kappie Kommando—an organisation of Afrikaner women who appear in traditional dress to convey their commitment to the old ways of the *volk*.

To the outside world, it would seem wise for Mr Botha to cut his losses and let the "wild men" go, while making the middle ground his own. The trouble is that all Afrikaner politicians have an inbred horror of splitting the *volk*. If the choice is between Afrikaner unity and *verligte* reform, "P.W." will be a brave man to go—unmistakably and irrevocably—for reform.

Washington moves to support Mubarak, the new leader in Cairo

Reagan may step up delivery of arms supplies to Egypt

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan may step up the financing and delivery of U.S. arms to Egypt as a measure of support for Vice-President Hosni Mubarak, the country's new leader, the Pentagon said yseterday.

"Egyptian leaders have frequently complained at the slow pace of credits and deliveries of weapons bought from the U.S. The isue was raised again with Mr Reagan by President Sadat during his trip to Washington in August.

Since 1978, the U.S. has agreed to sell Egypt about \$3.5bn (£1.9bn) worth of weapons and equipment to replace Soviet arms that have aged since Cairo broke with Moscow in 1972. Another \$500m worth is in the pipeline for the fiscal year that began on October 1.

But credits to allow Egypt to pay for the weapons have only reached \$2bn. An additional credit of \$900m, currently before Congress, would still not be enough to cover all the orders so far, not counting the sales expected in the 1982 fiscal year.

The equipment has also been slow to reach Egypt. Of the \$3.5bn order so far, only about \$1bn has been delivered, and half of that was accounted for by old F-4 Phantoms transferred from an American squadron in 1979 as a gesture of support for Mr Sadat.

Apart from the need to give strong support to Mr Mubarak, the Pentagon is also anxious that he should not change his mind about U.S. plans to use Egypt as a major staging post and training group for the American Rapid Deployment Force.

Egyptian soldier warns off onlookers at the Tomb of the Unknown soldier where President Sadat will be buried on Saturday.

Mubarak describes the last few minutes

CAIRO: Mr Hosin Mubarak, the Egyptian Vice-President who was sitting next to President Sadat on the reviewing stand during Tuesday's fateful military parade, described yesterday how they were watching the aerobatics when he sensed the President was standing. "I stood up too and to my horror and disbelief. I saw a man throw a grenade at the stand, and then gunfire broke out," Mr Mubarak said.

"I was hurled to the ground and so was the president, but I could not believe my eyes. The President was taken away in a helicopter and I made my way into town in a presidential car."

Mr Mubarak said the attackers were "led by a Moslem fanatic" and that they were being interrogated. He did not go into details.

"There is a long story behind al lthis but I prefer to wait till the interrogation is completed," he said.

The newspaper Al-Akhbar quoted the Defence Minister, Gen Abdel Halim Abu Ghazala, as say two of Mr Sadat's four assassins were civilians who had sneaked into the military parade, Mr Mubarak would not comment.

Asked whether he expected any Libyan attempt to exploit the situation through an attack on Egypt or Sudan, he said: "I hope no country will try any moves to harm its neighbours."

Egypt is linked to Sudan, its southern neighbour, with a defence pact.

After a 30-minute meeting with Herr Hans Dietrich Genscher, the West German Foreign Minister, Mr Mubarak said he had reiterated Egypt's determination to continue the U.S.-sponsored peace efforts in the Middle East, the normalisation of relations with Israel, and to honour all its international obligations.

"*It is a train and it has to* go on," Mr Mubarak said. "The wheels must not be allowed to stop. The road is clear and the policies we have undertaken must continue."

Mr Mubarak said Mr Sadat would be buried on Tuesday on the spot where he was shot to death. He said the procession would start from a mosque near the parade grounds and would continue to the mausoleum that is being built for President Sadat.

He indicated security precautions were a factor behind not staging the funeral procession through the main streets of Cairo as was the case for Mr Sadat's predecessor: Gamal Abdel Nasser.

An estimated 5m Egyptians crowded the streets of the *Egyptian capital during* Nasser's funeral and foreign dignitaries were pushed and shoved as the grieving mobs swarmed behind the coffin.

"We do not want anything to happen to foreigners," Mr Mubarak said. "We want it to be a calm funeral without problems. It will be a popular and at the same time a dignified state funeral befitting the late President."

AP

U.S. spent millions on security for Sadat

B David Buchan in Washington

THE U.S. spent several million dollars over the past seven years in an ultimately fruitless effort to try to ensure the personal safety of the late President Anwar Sadat, Government officials have revealed.

Assistance from Washington ranged from training by the U.S. Secret Service of the Sadat Presidential Guard, President Nixon's gift of a \$2m armour-plated helicopter, to the occasional visit to Egypt of a U.S. Awacs radar aircraft to provide the late President with warning cover when he was making air trips in and out of the country.

According to the New York Times, the U.S. was at one point prepared to offer more than passive assistance. Last year President Jimmy Carter was reported to have made plans with Mr Sadat, Saudi leaders, and former President Valery Giscard d'Estaing of France for some covert action against Mr Sadat's bitter enemy, President Muammer Gadaffi of Libya. But this was apparently shelved after President Giscard lost power last spring.

The Egyptian Presidential Guard was in little evidence when the assassins opened fire on Mr Sadat in the reviewing *stand*, only very belatedly returning fire after the carnage. But as early as 1974 there was an informal training programme between the U.S. Secret Service and the Egyptian Guard.

Private security firms in the U.S. had also been consulted in the past two years on the provision of bullet proof clothing for Mr Sadat (which he refused to wear),

Cost of Brazil's nuclear energy project doubles

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE COST of Brazil's controversial nuclear energy programme has risen to \$24.8bn (£13.4bn)—double the original estimate, largely because of the high cost of borrowing.

The latest costing of the plan to install 11,000 MW of nuclear power by the end of the century was released yesterday by Nuclebras, the State agency in charge of the programme. Calculated at 1980 prices, it includes anticipated financial costs and the acquisition of the full fuel cycle.

The figures were released in response to the publication of leaked official documents apparently showing that overall spending could reach \$36.8bn—nearly two-thirds the size of Brazil's foreign debt.

According to Nuclebras, the direct cost of the eight nuclear power stations under order from Kraftwerke Union of West Germany will be \$13.6bn, while spending of a further \$4.4bn is anticipated on fuel *enrichment* and reprocessing facilities. Excluded is the cost of Angra-1, the Westinghouse reactor now coming on stream.

Financial costs during the period of construction will add a further \$6.8bn to the total bill, although Nuclebras points out that three-quarters of all spending will be in cruzeiros. It said that the foreign debt incurred by the nuclear programme to date was only \$682m.

Critics say that the nuclear programme is too expensive and wastes scarce resources at a time of national belt-tightening. Nuclebras has usually produced more conservative cost estimates than other Government organisations.

A second, equally potent criticism is that the nuclear programme is financially ruining the federal and State organisations involved. It is said that Electrobras, the State electricity utility, will have to spend Cr 110bn (US\$ 1bn) on servicing its foreign debt this year out of anticipated revenues of Cr 197bn (\$1.79bn).

Reagan's tax scheme hits Senate trouble

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT RONALD REAGAN'S \$16bn (£8.8bn) tax reform and spending cut plan for the 1982 budget, barely two weeks old, has met its first problems.

Republicans in the Senate, while not contesting the need for spending cuts between now and 1984, want to allow for bigger defence spending cuts and higher tax increases.

The Republicans, including members of the powerful Senate appropriations committee, are said to want to double Mr Reagan's proposed \$2bn defence cuts in fiscal year 1982, which began on October 1.

They are also considering a proposal to raise excise taxes on items such as beer, wine, spirits, cigarettes and petrol to raise an extra \$20bn in taxes by 1984, against the \$11bn Mr Reagan is seeking by closing tax loopholes.

They do not want to alter the overall three-year programme for a 25 per cent cut in income taxes, but they are beginning to talk of possibly deferring the second, 10 per cent cut, due on July next year.

Mr Peter Domenici, Senate budget committee chairman, said there was "great consternation that the President's mix won't work."

Senator Mark Hatfield, chairman of the appropriations committee, said the Republicans want an adjustment in indexed cost-of-living increases in all benefit programmes, including social security, instead of Mr Reagan's proposed 12 per cent across-the-board cut in most federal programmes except defence.

Mr Reagan dropped a plan to defer indexed cost-of-living increases for social security recipients next year.

Thatcher gives £2m in aid to Afghan refugees

BY OUR FOREIGN STAFF

MRS MARGARET THATCHER, Britain's Prime Minister, yesterday committed £2m in humanitarian aid for Afghan refugees during a 16-hour visit to Pakistan which included talks with President Zia ul-Haq, and a helicopter visit to a refugee camp close to the Afghanistan-Pakistan border.

Mrs Thatcher, the first Western leader to visit Pakistan since the Soviet military occupation of Afghanistan almost two years ago, received a lavish welcome in the capital of Islamabad when she arrived from the Melbourne Commonwealth meeting.

British officials said the Prime Minister's visit is designed to show Britain's support for Pakistan's firm line against the Soviet-backed Government in Kabul.

While visiting the Nasir Bagh refugee camp near the Afghan border Mrs Thatcher said she was "absolutely determined" that as long as Soviet troops were in Afghanistan, she would never let the Kremlin forget it. "We will constantly remind the Russians that it is totally unacceptable," she told reporters.

The £2m aid committed yesterday is in addition to £5.8m already committed. About 2.4m Afghan refugees are thought to have settled in Pakistan.

Asean 'requires \$33bn for investment in energy'

BY ABBY TAN IN MANILA

THE five member states of the Association of Southeast Asian Nations (Asean) require \$33.1bn in investments in the next four to five years in oil and gas related development, according to a report by the Asian Development Bank released yesterday. This amount is equal to 25 per cent of the region's collective gross national product.

Asean, which groups Thailand, Malaysia, Singapore, Indonesia and the Philippines is a net exporter of oil and gas, with reserves of 10bn barrels of crude and over 50 trillion (million million) cubic feet of natural gas.

In reviewing Asean's short-term strategies, the Bank report said the main sectors of investment are in exploration, increased refinery capacities and additional facilities for transport storage and distribution.

Asean expects private capital as well as international monetary agencies such as the World Bank and the Asian Development Bank to play an important role in investment. Oil companies would have to generate their own funds because of the higher risk factor, however.

For the same reason, the World Bank could only be a lender of the last resort in energy financing, Mr Eugene McCarthy, chief of the Bank's petroleum projects division, told a Manila conference on energy yesterday.

Poll pledge to cut tax in NZ

REFORMS which would cut NZ\$850m (£400m) off individuals' tax payments would be introduced if Labour wins the general election in New Zealand next month, Mr Wallace Rowling, Leader of the Opposition, said yesterday.

This would give a basic tax-free income and would reduce the current income-tax level paid by everybody in New Zealand.

Under Labour's tax policy, nobody would pay tax on income up to the first \$60 a week In addition:

- Any man or woman supporting a non-working spouse could earn \$72 a week tax-free.
- Any family with one child would have \$130 a week without tax.
- For every extra child the family income would increase by \$10 a week before tax.

Labour would regain the loss of revenue by charging a penalty on the purchase of overseas funds and would also clamp down on tax evaders. But a Labour government would provide much greater support for families with school children and provide a basic income free of tax, said Mr Rowling. Overtime and shift work earnings would qualify for rebates.

Gandhi arrives

PRIME MINISTER Indira Gandhi, the first Indian Head of Government to make a State visit to the Philippines, arrived in Manila yesterday *amid tight security prompted* by the assassination of President Anwar Sadat of Egypt, AP reports from Manila.

Visit by PLO leader embarrasses Japan

BY RICHARD C. HANSON IN TOKYO

JAPAN has been placed in a highly embarrassing situation by the scheduled arrival in Tokyo on Monday of the leader of the Palestinian Liberation Organisation, Mr Yasser Arafat, *less than a week after the* assassination of President Anwar Sadat.

The Arafat visit is "unofficial," as the Foreign Ministry took pains to stress yesterday. However the PLO leader will meet both Prime Minister Zenko Suzuki and Foreign Minister Sunao Sonoda for discussions which will clearly have considerable diplomatic significance. Originally Mr Arafat's three-day stay in Japan was to have been "balanced" by an official visit by President Sadat in November.

Japan's authorities have noted *statements by the PLO* "welcoming" the assassination of President Sadat and are expecting similar statements to be made in Tokyo. To avoid suggestions that the Japanese Governments condones the PLO viewpoint, the Foreign Ministry yesterday issued a carefully worded briefing paper emphasising the unofficial nature of Mr Arafat's trip. "It is not correct to assume that he will be received as a semi-official State guest," the paper said.

Mr Arafat has been officially invited by the League for Japan-Palestine Friendship, an organisation formed by members of the the Japanese Diet (parliament). The Foreign Ministry does, however, consider the trip to be a "valuable opportunity" to exchange views directly with the PLO chief.

Mr Suzuki and Mr Sonoda (who is now in Cairo for Mr Sadat's funeral) will tell Arafat that the PLO should adopt a "practical, moderate and constructive" attitude toward the Middle East conflict.

Mr Suzuki . . . talks with Mr Arafat

AP adds from Tokyo: The assassination of President Sadat may delay Japanese plans in increase development aid to Egypt, a Foreign Ministry Official said. Mr Sadat was to have made a State visit to Japan on November 9.

Japan received Egypt's formally, detailed request for aid on Wednesday—just after the assassination. Egypt asked for aid for agricultural projects in a food security programme, for a project to deepen and widen the Suez Canal over the next five years, for assistance in telecommunications and other industrial projects and for commodity aid for balance of payment support.

Delay offer by Trudeau

MR PIERRE TRUDEAU, Canada's Prime Minister, has offered to delay introducing his constitutional package by a further two days next week to allow one more meeting with the Premiers to try to reach agreement, AP-DJ reports.

Mr Trudeau said in a statement released in Suva, Fiji, where he is on a brief official visit, that he is willing to meet the Premiers on Thursday.

A senior aide said this means Mr Trudeau will delay plans to introduce the package for final approval in Parliament on Wednesday.

Home work rules stay

THE REAGAN Administration yesterday dropped its plan to repeal a law dating to the 1940s that prohibits "cottage industries," David Buchan writes from Washington.

The law bars employers in certain industries from using workers who do their jobs at home. It was passed because home workers were thought to be exploited

The Labour Department said yesterday the labour rules will continue to apply to companies making women's clothes, jewellery, gloves and mittens, buttons and buckles, handkerchiefs and embroideries.

Cronkite leaves Pan Am

BY PAUL BETTS IN NEW YORK

MR WALTER CRONKITE, the dean of U.S. television news journalism, has resigned from the board of Pan American World Airways, the troubled U.S. airline.

He joined the board in March when he stepped down after 19 years as anchorman and managing editor of the number one-rated television news programme CBS Evening News. However, he agreed to stay on with CBS to do occasional news assignments.

In his letter of resignation to Pan Am, Mr Cronkite said a conflict of interest had arisen because of his continued association with CBS. He had expected "a somewhat different relationship with CBS News than that which was finally established."

At the time he believed "there would not be any problem of conflict of interest" in his assignments.

Gilt begins to wear from Pinochet's economic gingerbread

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

Chile's economy is run by a group of economists known to Chileans as "the Chicago boys." They have been practising for some years now the philosophies preached by Professor Milton Friedman and endorsed by President Reagan in the U.S. and Prime Minister Thatcher in the UK. Unlike the UK, however, the ideas are working in Chile! It is, of course, only fair to say that in putting the philosophies into practice, Chile did not have democratic processes getting in the way!

Thus the house magazine of Reckitt and Colman, an important British investor in Chile, recently and perhaps a little breezily, summed up the present situation in the country. Although the British Prime Minister might not agree with the judgment passed on her strategies, events this month *show that Britain is seeking a* closer commercial relationship with the Government of Gen Augusto Pinochet, democracy or no democracy.

Sr José Pinera, the Chilean *Mines Minister, arrives in London* as an official guest this weekend and his arrival coincides with the news that the Royal Navy is selling the Chilean navy the 6,200-ton guided missile cruiser, Norfolk, and the 27,000-ton auxiliary, Tidepool. An eight-year ban on the sale of arms to the Chilean Government has been resoundingly lifted.

The visit and the sale are likely to revive the debate about the gains and losses made by Chile since the military coup of 1973. Since then, Gen. Pinochet has done much to dismantle the public sector of the economy and throw Chile open to foreign capital and its industries to the full blast of foreign competition.

There can be no doubt that the gains have been very substantial in terms of orthodox economic thinking. Inflation has come down from 508 per cent *in 1973 to something approaching* single figures this year. The negative balance of \$600m in Chile's foreign exchange reserves at the end of 1973 has given way to a positive balance *which today stands at around* \$3.6bn.

There are fears that the Government of Gen. Pinocher, shown reading his oath of office, may have overborrowed recently

For international bankers, Chile has become vastly more creditworthy. Chilean borrowers, public and private, *in the year to August fished a* minimum of \$1,581m out of the euro-currency pool. The Chilean central bank estimates that the gross foreign debt, public and private, was \$11.2bn at the end *of last year, up nearly \$3bn on* the previous year.

The campaign to attract new foreign fixed investment has been less of a success. Exxon has certainly been tempted to *make a major investment in* copper but as Prof. Carlos Diaz Alejandro of Yale commented in a recent paper, "Post-1973 Chile has witnessed only modest inflow of transnational investment, in spite of almost pathetic invitations from host authorities. One thing is to lend other people's money and another is to commit one's equity when the stability of the rules of the game may depend on one person's heartbeat."

Encouraged by foreign bankers' funds, the economy has expanded satisfactorily over the past few years. Growth averaged 9 per cent in 1977-78, 8.2 per cent in 1979 and 6.5 per cent last year. Estimates for growth this year vary from 6 per cent to 3 per cent but even at the lower level, growth over the five years will be more respectable than in many industrialised countries.

Gen. Pinochet's Government has also done much to diversify Chile's export base. Copper used to provide about three-quarters of all export revenue. Last year, copper accounted for only \$2.1bn of a total \$4.7bn. Other minerals, fish, farm products and timber are taking larger shares of the export cake. Chile has been concentrating on developing sales of those goods for whose production it has natural advantages, while reducing tariffs so as to expose its indigenous industries to the full blast of foreign competition.

Industrial share prices have still responded enthusiastically. The index quoted by the IMF has risen 1,000-fold since 1974 while its index for consumer prices has risen only 84 times.

But there are signs of strain. The collapse in June of Crav, a sugar refiner and one of the country's major companies was a blow to the confidence of businessmen, particularly those fighting competition from imports.

At the same time, the balance of trade has dipped sharply into the red. In the first half of this year, exports came to no more than \$2bn against imports of \$3.6bn. This reflected a weakening demand for copper, where Chile's receipts dropped by a quarter, and for fish and farm and forest products. The continuing import boom was shown in automobiles

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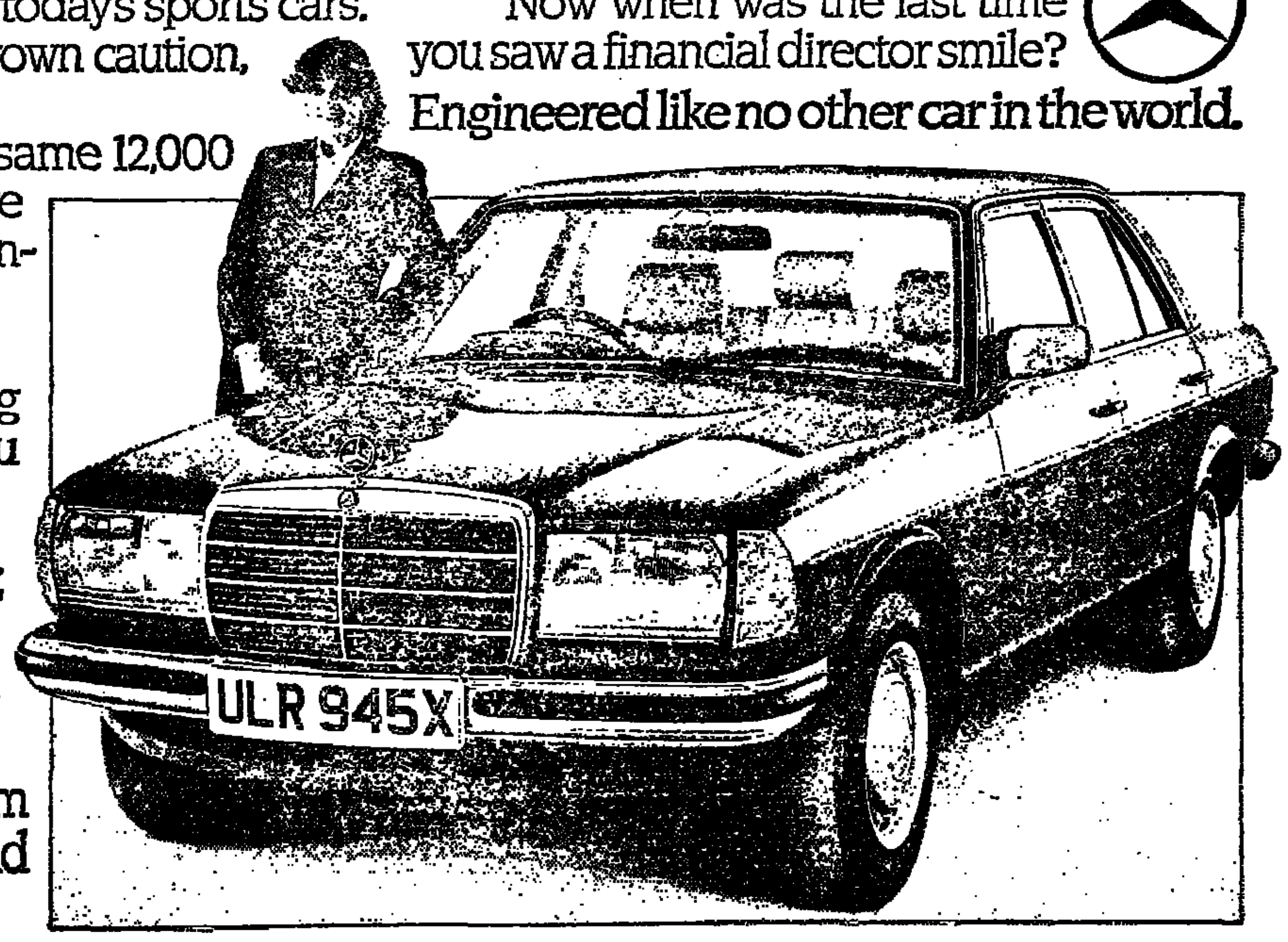

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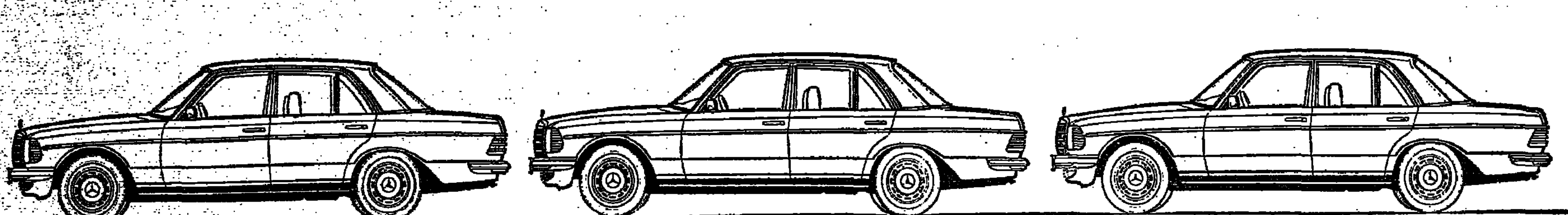

*Official fuel consumption figures for the 200 urban cycle 22.6 mpg (12.5 litres/100 km) manual and 23.6 mpg (12.0 litres/100 km) automatic. At a constant 56 mph 36.2 mpg (7.8 litres/100 km) manual and 33.6 mpg (8.4 litres/100 km) automatic. At a constant 75 mph 28.6 mpg (9.9 litres/100 km) manual and 26.4 mpg (10.7 litres/100 km) automatic. For the 230E urban cycle 20.4 mpg (13.8 litres/100 km) manual and 20.9 mpg (13.5 litres/100 km) automatic. At a constant 56 mph 33.8 mpg (8.4 litres/100 km) manual and 32.1 mpg (8.8 litres/100 km) automatic. At a constant 75 mph 26.6 mpg (10.6 litres/100 km) manual and 25.2 mpg (11.2 litres/100 km) automatic. For the 280E urban cycle 16.5 mpg (17.1 litres/100 km). At a constant 56 mph 27.4 mpg (10.3 litres/100 km). At a constant 75 mph 21.7 mpg (13.0 litres/100 km) automatic.

E. Germany orders cold rolling mill from Japan

BY LESLIE COLITT IN BERLIN

EAST GERMANY has ordered a $65m (£36m) cold rolling mill from three Japanese companies —Mitsui and Co., Hitachi and Nippon Steel—to be built at Eisenhuettenstadt on the Polish border.

The deal was reportedly won over competition from Voest Alpine of Austria with the West German engineering company Schloemann-Siemag as sub-contractor. It is the latest example of a West German company losing out to Japanese competition for East German industrial projects.

The contract for the turnkey mill was signed by Industrieanlagen-import (IAL) of East Berlin and Mitsui and Co. as the general contractor.

Hitachi is to manufacture the equipment for the "six-hi" mill, which gets its name from the six huge hard steel rolls. Nippon Steel is acting as technical consultant for the project.

The cold rolling reverse mill will be installed at Eisenhuettenstadt, about 100 miles from Berlin, in 1983, and trial operation is to begin in late 1984 and is to be completed by March 1985.

It will have a capacity of 400.000 tonnes of sheet steel annually which will be used mainly in the East German durable consumer goods industry.

A representative of Mitsui said that this was the first six-roll mill that the Japanese were building in Europe.

Financing has been supplied by the Japanese Export-Import Bank, while East Germany is expected to pay in large part with exports of machinery.

Several West European companies were interested in the project but dropped out earlier in the negotiations.

Japanese companies have been awarded East German contracts worth $237m this year and East Germany is expected to buy another $550m worth of plant from Japan following a state visit to Tokyo in May by Herr Erich Honecker, the East German President.

Agencies add from Tokyo: East Germany produces 7m tonnes of steel a year in terms of crude steel while East Europe as a whole produces 64m tonnes a year.

In the past, Mitsui contracted to export to IAL a Y83bn colour TV tube plant manufactured by Toshiba in February.

Mitsui is now negotiating with IAL on export of Y100bn worth of methanol production facilities and a plant for upgrading crude oil worth Y40bn manufactured by Toyo Engineering.

Biffen sees big rise in exports to Iraq

By Our World Trade Staff

BRITISH exports to Iraq should top £500m this year, Mr John Biffen, Trade Secretary, said in London yesterday on his return from a visit to Baghdad. Last year they were worth £322m.

With the fall in oil exports to the UK from Iraq, this should mean a British trade surplus with Iraq for the first time in recent years.

"The Iraqi economy is proceeding in a way which gives hopes to UK exporters beleagured by the recession, particularly at the heavy end of the engineering industry."

British contracts won in Iraq this year top £200m in value and there are over 120 UK companies at present exhibiting at the Baghdad International Trade Fair.

Of these companies, BICC has won an order for more than £1m worth of cables and accessories, bringing to a conclusion negotiations which have been taking place since February. GEC, BOC and NEI are also involved in negotiations for increased sales.

At meetings of the British-Iraqi Joint Commission, established under a joint co-operation agreement last June, Department of Trade officials sought to boost the claims of UK companies competing for business in the Iraqi power, energy and water supply sectors.

First tenders for supplies to the planned Baghdad metro railway system will go out next year and the officials backed the bids of GEC, Hawker Siddeley and Metro Cammell to provide electro-mechanical equipment.

Assael Rowe-Parr Consultants has won a $7.5m (£4.1m) deal to provide safe harbour for 150 onshore berths, and 290 floating berths in Abu Dhabi.

Attock Oil in Abu Dhabi offshore deal

By Ray Dafter, Energy Editor

ATTOCK OIL Company, a UK-based independent operator, has been awarded an offshore exploration concession in Abu Dhabi. The company expects to invest at least $53m in the area.

The concession covers almost 1,562 sq kms on which Attock has agreed to drill a number of wells to an accumulated depth of at least 30,000 ft.

Attock has paid an initial $3m for the 35-year drilling licence. The company said in London that it would invest at least $50m over the next eight years.

Until last year, Attock Oil was a subsidiary of Attock Petroleum, now renamed Anvil Petroleum. Attock Oil now acts independently.

Border delays 'cost West Europe £218m a year'

BY CHARLES BATCHELOR IN AMSTERDAM

UNNECESSARY delays affecting international road hauliers at border customs controls cost the West European economy about Fl 1bn (£218m) annually, the two Dutch transport organisations claimed.

A major problem for road hauliers is the limits imposed by a number of countries on the import of diesel fuel in the tanks of lorries. The Dutch Hauliers' Commission (COG) and the Shippers' Organisation (EVO) said in their report. Dutch companies account for one-third of all EEC road transport.

West Germany allows only 50 litres a lorry to enter duty free while France allows only 200 litres. Reporting and checking the amount carried and paying any duty causes long delays.

One country does not always recognise veterinary and health certificates issued by another. The working hours of the inspectors employed to check these certificates do not always correspond with the opening times of the customs posts. This leads to delays at the Austrian and Italian borders in particular.

The two Dutch organisations said a lorry driver often required 130 different documents.

They appealed to the Dutch Government to attempt to simplify customs procedures.

UK TEXTILE CHIEF PRESSES EEC

Call for tougher stance on MFA

BY ANTHONY MORETON

A STRONG plea that the 10 member-Governments of the European Community should put pressure on the Commission to stiffen its stance in the coming Multi Fibre Arrangement talks was made in Scotland last night by Mr Ian MacArthur, director of the British Textile Confederation.

"We look to the Community to stand firm in the MFA negotiations," he told the Galashiels Manufacturers' Corporation.

The British industry had already made "large sacrifices to help the Third World," he stated, and he called on the EEC "to encourage other developed countries to share this responsibility more equitably."

The final round of talks leading to the renewal of the Agreement begins in Geneva on November 18 and it is hoped to have a settlement before Christmas.

The British industry is suspicious about the Commission's determination to negotiate what it considers to be a meaningful settlement.

British tariffs were the lowest in the developed world, Mr MacArthur said, leading to many low-cost imports coming in duty free.

"By contrast, other advanced countries such as the U.S., South Africa and Australia impose tariffs or other restraints which make our system positively generous by comparison.

"One result is that the volume of low-cost import penetation of textiles and clothing in the U.S. is one-third that of our own."

Mr MacArthur's speech came against a background of controversial proposals from the Commission setting out details of a next textile imports regime, now being studied by member Governments.

These would seek to cut Third World producers' rising sales in the Community of low-cost clothing, especially those from Hong Kong, South Korea and Taiwan.

The document containing these proposals is to be put before EEC Foreign Ministers when they meet on October 26 and are certain to cause a clash between those who want to protect their industries from low-cost imports and those who want to liberalise trade.

Gould to sell Racal radio system in U.S.

RACAL ELECTRONICS and the Gould Company have agreed that Gould should market Racal's Jaguar Five-frequency hopping tactical radio system in the U.S. The agreement also gives Gould the right to manufacture the Jaguar Five system in the U.S.

Racal said the system is the first frequency hopping system in the world to go into production and be delivered to a number of countries.

Reuter

$ exchange rate boosts Swiss chocolate exports

BY JOHN WICKS IN ZURICH

THE HIGH dollar exchange rate was responsible for a 28 per cent increase in Swiss chocolate exports in the first eight months of this year, according to the trade association Chocosuisse in Berne.

In the January-August period, these exports amounted to a value of SwFrs 105.7m (£30m). Since prices were largely unchanged, growth was close to the 28 per cent booked for export volume.

The current exchange rate is SwFrs 3.50 to the dollar. It ranged between 4.0 and 4.50 to the dollar earlier in the year.

Apart from Switzerland's direct exports of chocolate, companies such as Interfood (the parent of Suchard and Tobler) or Lindt-Spruengli annually record large sales by foreign licensees. Most Swiss chocolate sold abroad is in the form of bars.

In Switzerland itself, domestic turnover has risen by only some 3 per cent this year so far.

Ericsson wins £9m Emirates telephone order

By Westerley Christner

L. M. ERICSSON, the Swedish telecommunications group, has received a Dirham 60m (£9m) order from the United Arab Emirates for computer-controlled digital AXE telephone exchanges.

The contract was awarded by Emirtel, the telecommunications administration of the Emirates. It is an extension of an order placed by Emirtel last year of roughly the same value, covering AXE switching equipment.

Mixed blessing for Weir Westgarth

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

A SERIES OF desalination plant orders won by foreign concerns is proving to be something of a mixed blessing for Weir Westgarth, the Glasgow company that has developed much of the technology being successfully used by competitors or its own foreign subsidiaries.

In one such deal, Sumitomo Heavy Industries, the Japanese licensee of Wier, won a £66m contract for the design and construction of a desalination complex in Qatar.

While details of the licensing agreement are not available, it is thought that Weir could earn as much as 2 per cent of the contract in royalties as well as further payments for technical assistance. Under the agreement, Sumitomo can draw on Wier's designs, processes, patents and technical assistance.

But in spite of the spin-off business for the Scottish company, the deal has been a disappointment, for Weir was placed third in the bidding for the contract behind Sumitomo and Hitachi, also of Japan. It is understood that estimates for the work differed by only 2.5 per cent among the three top tenders.

Weir Westgarth has already built four desalination plants at the Ras Abu Fontas installation in Qatar and were hoping for the contract for the other eight in the next phase of the large power and water station development.

The Scottish-based company is looking for new contracts as it rounds off work on six desalination plants for the Dubai Aluminium Company. While it is confident a new contract is in the pipeline, the Qatar deal would have provided Wier with the work it needs.

Nevertheless Weir Westgarth sees the Sumitomo contract constructively as a victory for their design technology.

The two companies have collaborated in a number of earlier contracts, notably Jeddah III power and water station in Saudi Arabia.

But a look at Wier desalination plant orders shows that much of the group's recent business is going to either Sumitomo as a licensee or to Weiritram SA of France and Sowit SpA of Italy, which are Wier companies.

Sumitomo has built eight plants, all in the past two years. The French and Italian Weir companies have built over 20 since the late 1960s—most of them small units.

At the time of the reorganisation of the Weir group earlier this year following a £8.25m loss for the group, the company noted that Weir Westgarth had not secured any major new desalination contracts to follow those obtained prior to 1977.

With large contracts such as desalination works, contractors usually find they have a large cash inflow at the start of a project when the client makes a partial large initial payment and then, in the finishing stages, when the company has absorbed the full payment it finds it is having to pay out to sub-contractors to finish off the work.

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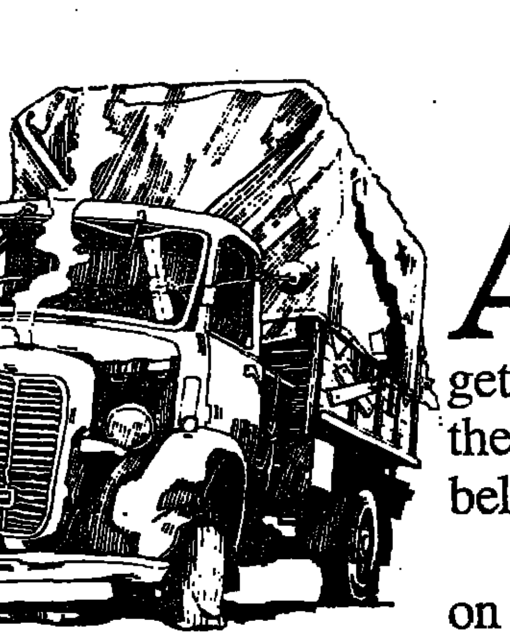

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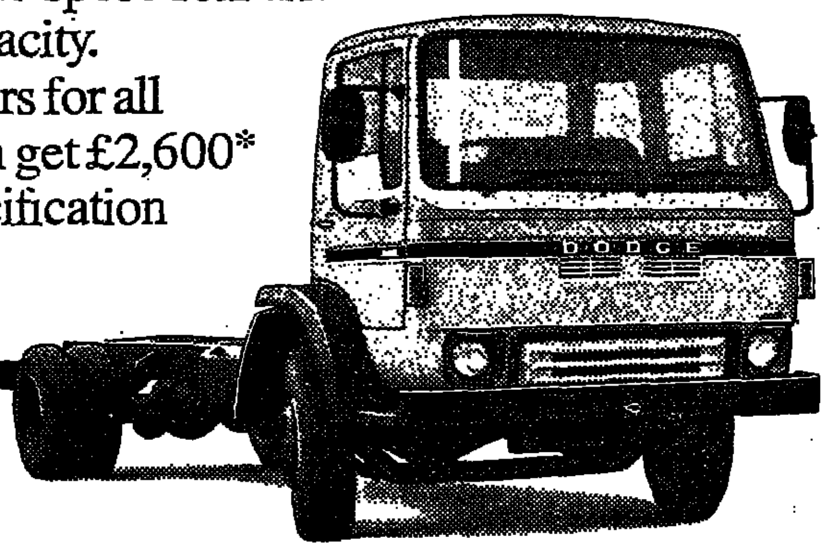

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Howe hits out at 'irresponsible' Tory critics

BY DAVID MARSH

SIR GEOFFREY HOWE, the Chancellor of the Exchequer, yesterday delivered a strong rebuff to cals by Mr Edward Heath and other Tory dissidents for changes in the Government's economic policies.

Attempts to reflate the economy out of recession would mean paying "an unacceptable price in inflation and unemployment," he said in Croydon.

The Government, like its critics, was "deeply anxious" about unemployment. But more jobs could be achieved only by maintaining the Government's policies. Borrowing had to be "restrained in order to curb inflation and bring down interest rates, he said.

Sir Geoffrey did not mention by name Mr Heath, who this week called for the Government to change course. But his speech clearly was meant as a rebuttal of the former Prime Minister's presciptions for economic health.

Ridiculing calls by "well-known political figures" for higher public spending at the same time as lower interest rates Sir Geoffrey said his critics "irresponsible" in suggesting that there was a "magic box" enabling Britain to escape harsh realities.

He attacked the idea that Britain could isolate itself from changes in the outside world, either through import controls or—a suggestion put by Mr Heath—through European currency restrictions to ward off *the effects of high U.S. interest* rates.

The question of Britain joining the European Monetary System, as Mr Health recommended, was still being given "close attention." But it was "moonshine" to suggest that linking sterling to the scheme would enable Britain to spend its way back to full employment, said Sir Geoffrey

Critics overlooked the fact that huge sums of money were moved around the world "at the flick of a computer terminal." No amount of European exchange controls or coorlinated reflation with Britain's *European partners — assuming* agreed—could effectively shield sterlingo r UK interest rates from international pressures, he went on.

Therew as nothing "outlandish" in the Government's methodso f bringing down inflation. Successive governments had faced the need to restrain *public* borrowing and private credit through rises in interest rates.

Sir Geoffrey claimed the "fundamental truths" about the need for lower borrowing were recognised by responsible governments throughout the free world. "Yet in Britain they are still challenged," he said.

Critics failed to see that current world interest rates were produced by wide government deficits in many countries. He said: "To cut interest rates and at the same time borrow more would be to unlock the flood gates of inflation and drown the prospects for sustainable economic growth."

Tory MPs urge selective reflation to increase jobs

BY RICHARD EVANS, LOBBY EDITOR

A GINGER GROUP of young Conservative MPs called yesterday for the Government to adopt a policy of selective reflation so that the problem of unemployment could be tackled alongside that of inflation.

The proposals, outlined in a pamphlet called Changing Gear, will be widely regarded as a direct attack on the Government's economic strategy, though its authors denied that this *was their intention.*

They see the pamplet as a warning to Tory leaders that without a change of emphasis to take more account of the impact of unemployment electoral prospects facing the Tories are bleak.

One major proposal, by the group of MPs from the 1979 intake plus one member of the European Parliament, is to put an estimated £4bn to £5bn over *the next two years into capital* projects and to cut about £2bn of industry's costs by reducing employers' national insurance contributions.

It is also argued that it might be feasible to call for a temporary pay freeze in exchange for such a large package of specific investment projects.

The pamphlet says that *Tories should never become too* entangled with a particular economic theory.

"No-one can deny that in the last few years we have come close to abandoning our traditional approach to politics in favour of the belief that our job was to impose a certain type of economic analysis on the nation, to become a pressure group for a particular economic theory.

"Nothing should be further from the minds of Conservative leaders than such a task. In fact, one job of the Conservative Party is to protect our citizens from experiments by theorists whose beliefs can never be scientifically proved."

Since Britain bad been through a period of disastrous inflation, the shift in emphasis *toward counter-inflation policy* was "inevitable and correct."

The task for the party now was to be quick enough on its feet to move the emphasis of policy, as inflation moderated, to recognition of the fact that the nation was likely next to see unemployment as the primary problem.

The authors stress that this is not so much a criticism of policy in the period since 1979, but a warning that along with a counter inflation policy the party seems to have swallowed a political ideology with a danger of inflexibility.

The Government seemed almost to have spurned the hopes of consensus by the reasons it had given for implementing policies. Its own propagandists had alleged that what *was essentially middle-of-the*-road counter-inflation policy was instead a revolution in economic and political management.

"Phase Two of this Government should now begin. There should be a shift of gear and an emphasis on construction rather than destruction, of the possibility of achievement rather than on hard lessons to be learned, on progress rather *than crisis.*

"All this can develop easily enough out of what the Government has done. All we have to lose are the chains of what we have too often said."

The authors of the pamphlet are Mr William Waldegrave; Mr Michael Ancram; Mr Robert Atkins; *Mr Jocelyn Cadbury;* Lord Cranbourne: Mr Peter *Fraser; Mr Tristan Garel*-Jones; Mr Ian Lang; Mr Nicholas Lyell; Mr Richaerd Needham: Mr Christopher Patten; Mr Alex Pollock: and Mr John Watson, all Tory MPs; and Lord O'Hagan, an MEP.

Mr Waldegrave and Mr Lang have recently become members of the Government.

Rippon joins attack on 'divisive' economic strategy

BY RICHARD EVANS, LOBBY EDITOR

MR GEOFFREY RIPPON, former Conservative cabinet minister, added his voice yesterday to demands for a change of direction in the Government's economic strategy and for a return to consensus politics.

His speech to the Cambridge University Tory Reform Group was similar in tone to the criticisms levelled at the Government by Mr Edward Heath, and underlines the growing divisions within the Tory Party over the economy.

Mr Rippon, MP for Hexham, said the alternative to consensus was confrontation, and in that direction lay disaster for the country.

It is a theme that will be heard frequently at next week's Conservative Party conference in Blackpool, when Mrs Thatcher and her colleagues will be defending cabinet policies against demands for a sharp change of direction to combat unemployment.

Mr Rippon said the conference would be of special significance since it would be almost the last opportunity to determine the purpose and direction of the policies which would carry the Tories into the next general election.

"Are we to seek consensus or confrontation?" he asked. "It is our country, a whole nation, that faces the present economic crisis, not just one party or even one government."

Seeking the consensus approach meant a practical recognition of economic and social problems, rather than compromise.

"I believe that the only path in our internal politics is that we can tread in triumph is the middle way." he declared.

He said he had regarded the "particularly misguided" concept of monetarism as excessively simplistic, deeply irrational, inherently divisive and ultimately restructive.

It was not a question of making U-turns but of responding to changing circumstance

"Faced with an unacceptable level of unemployment aggravated by high interest rates that fuel public expenditure, penalise private enterprise and stifle investment, we must have a change of direction," Mr Rippon declared.

Among his suggestions was the achievement of more stable exchange rates to restore business confidence.

Mr Rippon said Britain should play its part in creating a new international monetary order by negotiating to join a strengthened European Monetary System—a proposal advocated by Mr Heath earlier this week.

He argued that in tackling unemployment, too much emphasis still is being placed on schemes

aid, subsidies, and training

Investment expenditure continually is being cut rather than current expenditure, he said.

Mr Rippon also advocated the government's use of its powers as a client, particularly in the construction industries, to create national assets and assist areas with the highest levels of unemployment.

It was not possible to have both increased investment and wage increases unrelated to higher productivity or profitability

Mr Rippon went on to attack the Government fiercely over the current battle with local authorities, warning against situations where actions which would be regarded as vicious if perpetrated by a Socialist government were somehow justified if undertaken by a Conservative administration.

Inquiry on sinking of £5m oil pipes

By Ray Dafter, Energy Editor

A NORTH Sea oil operator — Hamilton Brothers—is investigating how two sections of pipeline, worth a total of £5m, sank while under tow to the Argyll Field.

The company is also looking at ways of recovering and repairing the 10,000 ft sections, which sank in different locations during separate towing operations.

The accidents have delayed the production of up to 10,000 barrels a day of oil from a satellite well drilled near Hamilton Brothers' Argyll Field.

The company said it would *investigate whether i would be* worh salvaging he pipeline sections or whether to order new pipes. The flowlines were being towed 200 miles from the Wick yard of fabricators Kestrel Marine.

Hamilton Brothers said the identical pipeline sections would each be worth about £2.5m when installed between the Argyll Field's floating production platform.

Government to sell HGV stations

THE GOVERNMENT is to go ahead with its plans to sell the state-controlled heavy goods vehicle testing stations to the private sector "at the earliest opportunity." Mr Kenneth Clarke, the Parliamentary under secretary for transport, said in London yesterday.

Porcelain collection fetches £58,793

A COLLECTION of Worcester porcelain sold for £58,793 at Sotheby's Belgravia yesterday, with a top price of £1,900 for a pair of Royal Worcester figures

SALEROOM

BY ANTHONY THORNCROFT

of a Japanese man and woman, dated 1875.

In the general ceramics sale a 1911-16 apple-green ground Royal Worcester service of eighteen pieces realised £2,950.

Government penalties 'would double' GLC transport rates bill

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

LONDON domestic ratepayers can expect to pay substantially higher rates next year if the Government goes ahead with plans to impose penalties on olca councils, Greater London Council said yesterday.

The GLC suggests in a paper by its Transport Committee that the costs on the domestic rates of supporting London Transport and its *low* fares could more than double.

The average domestic ratepayer in London pays a total of £1.31 a week for London Transport services. This includes 39p to pay for the 32 per cent cut in fares announced this week and 27p to cover the write-off by the GLC of the £48.2m forecast deficit for LT for 1981.

The total transport rate bill would rise to £2.65 if the Government restricts non-domestic rate rises to 15 per cent above current budget levels.

The transport rate forecast for 1982-83 would come down to £1.07 if the Government, as intended, withdrew its threat to hold down non-domestic rates in favour of loading the rates more heavily on the domestic ratepayer, the GLC said last night.

The GLC said the total average transport rate bill for domestic ratepayers would drop to 81p a week if the Government decided not to impose a restriction on the block grant to the council, which on present figures would cost the GLC £100m next year.

The GLC, in its forecast on London Transport expenditure and constraints for next year, said the present £259m cost of LT to ratepayers could rise to £385m in 1982-83 as a result of planned increases in support.

The forecast is based on the assumption that rises in pay are restricted to 4 per cent and in prices to 9 per cent; that fares are kept at the levels of October 1981: that the Government impose a ceiling on non domestic ratepayers; and the GLC lose £100m of block grants.

Legality of supplementary London rate challenged

BY LISA WOOD

THE LEGALITY of the Greater London Council's supplementary rate, which is to pay for reduced bus and tube fares, is to be tested in court by commercial ratepayers.

The Westminster Chamber of Commerce is to bring action in two courts against the GLC and Westminster City Council claiming that the supplementary rates levy is illegal.

It has also told its 3,500 members that as individuals they could bring similar actions.

The first action, in the Crown Court, will be brought under Section 7 of the General Rate Act 1967, which enables anyone aggrieved by a rate demand to appeal against it.

Earlier this year the same section of the Act was invoked by BL Cars when it appealed against rate increases in Solihull, Coventry and Birmingham. The case, believed to be the first brought by a company under the Act, will be heard in November.

In the second action planned by Westminster Chamber of Commerce, the legality of the GLC's supplementary rate will be questioned in the High Court. Similar action is planned by the Conservative-controlled London borough of Bromley.

The chances of such actions succeeding are thought slim under the current powers enjoyed by local authorities. However, under legislation being rushed through by the Government, local authorities in *England and Wales* would have their right to raise a supplementary rate limited.

Mr John Lindesay-Bethune, chairman of Westminster Chamber of Commerce which has premises in Regent Street, declined to say why the chamber thought the extra levy unlawful. "It would be rather stupid to disclose our case before we get to the High Court," he said.

This supplementary rate, could add another £100,000 to the bill of a large department store paying rates of up to £1m a year.

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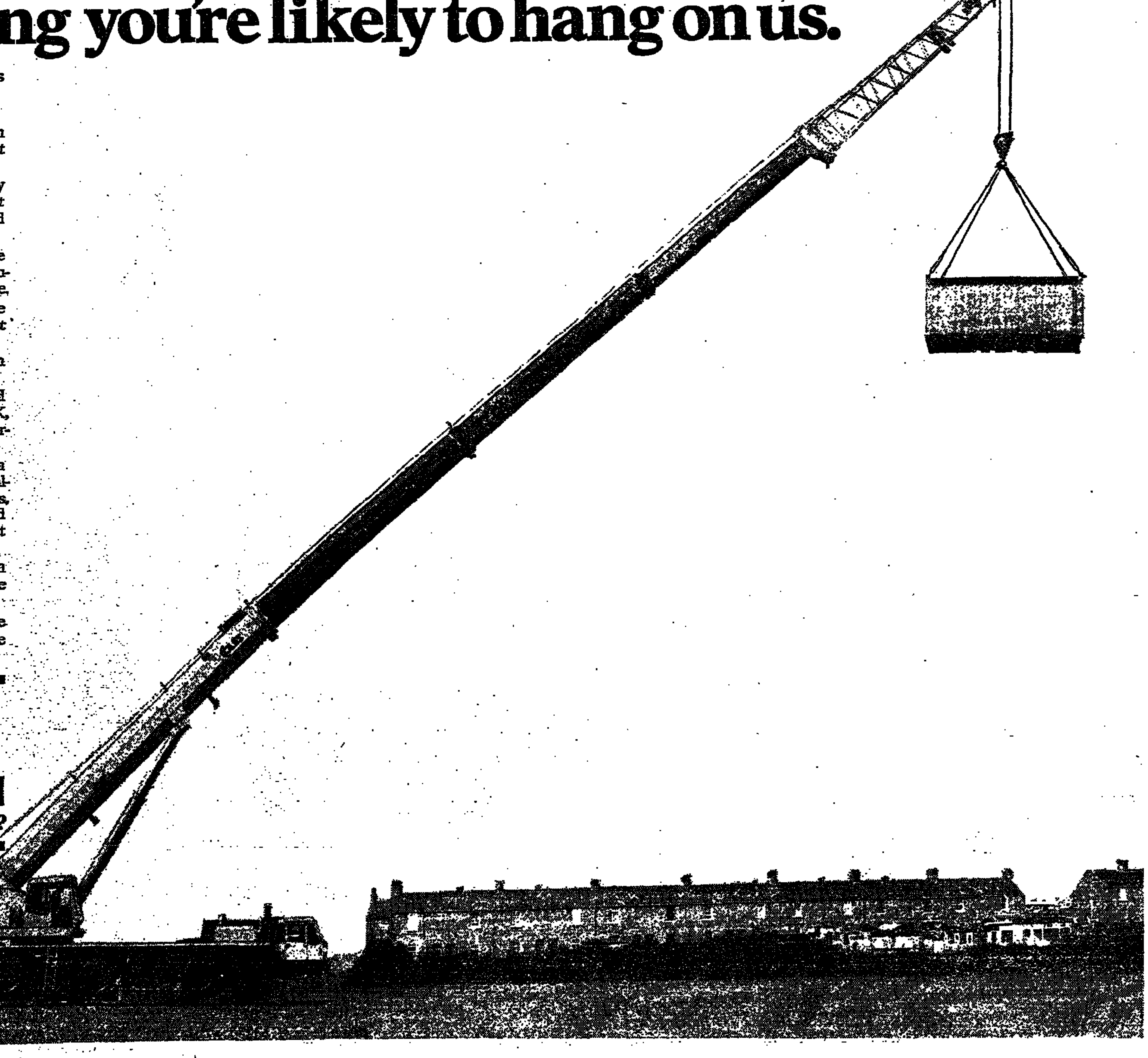

'Super computer' talks with Japan

BY GUY DE JONQUIERES

A TEAM of British scientists flies to Tokyo this weekend to try to determine whether the UK should accept a Japanese invitation to join in the development of very powerful "super computers" for the 1990s.

The team, led by Mr Reay Atkinson, an under secretary in the Industry Department's information technology division, leaves amid considerable uncertainty in Whitehall about Japan's true motives for courting British involvement in the scheme.

There are suspicions in London that the Japanese are only interested in plagiarising research in fields in which they are weak — particularly advanced computer programming — and have no serious intention of sharing their own technology.

That is the view of many American computer scientists who have spurned invitations to attend a supposedly international conference on the super computer during the second week of the British group's two-week visit. France and West Germany have also responded coolly to overtures from Japan.

But some officials in London, particularly in the Foreign Office, believe Japan is genuinely extending an olive branch. They argue that it is interested in two-way technological collaboration to counteract the risk that mounting protectionist pressures abroad will lead to its economic and commercial isolation.

The Tokyo conference has been organised by Japan's influential Ministry of Trade and Industry (MITI). It has been interested for some time in designing very powerful "fifth generation" computers which would simulate human intelligence to perform tasks like pattern recognition and problem solving. They would also respond to spoken commands.

But the super computer appears at present to be more of a concept than a detailed project. MITI insists it has no timetable for its development, and has set up no budget for it. It is also excluding from the conference representatives of the computer industry.

Nonetheless, the visiting British team plans to question MITI closely on how they think the UK computer industry could participate in the scheme, and what commercial benefits it could expect from it.

It is acknowledged in Whitehall that Japan has little to learn from Britain in the design and manufacture of computer equipment and components. But the UK could make an important contribution in programming — the instructions used to make computers operate.

There could be problems, however, in devising commercial arrangements to ensure worthwhile rewards for the British companies which write the programme as well as for the Japanese manufacturers who combine them with computer equipment and market the resulting systems.

Regardless of whether or not Britain decides to collaborate in the super computer project, Whitehall officials believe that there is much to be learned from Japan's success in co-ordinating efforts by Government and industry in high technology research and development.

● Micro Focus, a British programming company, has won orders worth £400,000 from four Japanese companies for programmes for microcomputers. The sale is believed to be the first of its kind to Japan.

Anger at leap in Japanese van imports

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A FURTHER big leap in the Japanese share of the light commercial vehicle market in September has increased tension between the UK and Japanese motor industries.

The two sides are due to meet again next month and "it will be a pretty tough session. We are unhappy about the situation," said Mr Anthony Fraser, director of the Society of Motor Manufacturers and Traders.

By the end of September the Japanese share of the market for light commercial vehicles (under 3.5 tons) was more than 18 per cent, when the British had expected it to be reduced to under 11 per cent.

The Japanese cut shipments of commercials almost completely in September—only 85 were exported—but previously 24,500 had left Japan for the UK.

This is nearly 15 per cent of the 165,000 light commercials the UK industry forecasts will be registered in 1981.

"We shall be very interested in the shipment figures for September," said Mr Fraser.

Sales of new commercial vehicles in September, at 17,893, were 10.6 per cent lower than in September 1980.

So in the first nine months total commercial registrations are down 23.1 per cent on the same period a year before, at 166,309.

Last month importers took 38.6 per cent of the market compared with 26 per cent in the same month last year. By the end of September the importers' share was 31.2 per cent, against 24.6 per cent in the first nine months of 1980.

In line with the severe downturn in sales, commercial vehicle output in the UK in the first nine months fell 47 per cent to 164,000.

But in September there was a distinct recovery from the poor August total. Some 20,500 commercials were produced, against 15,200 in August and 26,500 in August last year.

Drug group says patents stifle vital research

By Sue Cameron

A WARNING that UK pharmaceutical companies may be unable to develop vital new drugs unless steps are taken to strengthen patent protection for medicines is made today in a consultative document from the pharmaceuticals' sector working party.

The document states that the effective life of patents for new drugs has been cut dramatically—sometimes by more than half—because companies have to file patents for new medicines early to safeguard their discoveries. They then have to spend eight to 10 years developing the drug and conducting required safety tests before putting it on the market. Yet all the time the life of the patent — nominally 20 years in the UK —is "ticking away."

A call for the effective life of a patent to begin when a new drug goes on the market is made in the document, which points out that other industries do not have to comply with such "stringent regulations and testing procedures."

"The benefits afforded by the grant of patents in the pharmaceutical industry should be restored to provide an incentive to continued research and development by pharmaceutical companies in the UK. The erosion of the period of protection must otherwise result in a discouragement to research, innovation and investment, and prevent important new products from being made available to the public," says the document.

The document suggests that the Government could offer assistance in the form of higher tax allowances or permission to raise drug prices to those companies which suffer long delays because of regulatory controls.

At a Press conference this week members of the sector working party admitted that return on investment in the pharmaceutical industry has risen slightly in recent years and stands at an average of 20 per cent.

● UniChem Limited, the independent pharmaceutical wholesalers, is to seek a judicial declaration that the Minster of Health has acted ultra vires in treating its members' profit share as a discount.

The Department of Health and Social Security is conducting an inquiry into chemists' remuneration, and has decided that UniChem profit distribution to members should be treated in the same way as discounts offered by ordinary wholesalers.

NEWS ANALYSIS

Restraint on rail fare increases in a difficult age of the train

Lynton McLain analyses British Rail's response to competitive pressures.

THE DECISION by British Rail to raise train fares by 9½ per cent from Sunday, November 29, says a great deal about the serious financial position of British Rail and its response to rising competitive pressures.

The increase is not as great as might have been expected in view of the railways' perilous financial state and their unwelcome record of putting up fares regularly by double figures.

Train fares were last increased on November 30 last year by an average of 19 per cent. Even higher increases, up to 24.3 per cent were applied to the captive commuter market on journeys of up to 13 miles in London and the South-East.

Despite the increases, which brought the total increase since January 6, 1980, to 42.8 per cent, BR still succeeded in losing £76.9m, after interest payments, for 1980.

This was the first loss recorded by British Rail under the chairmanship of Sir Peter Parker, recently reappointed for two years with a 25 per cent pay increase to £60,000 a year.

Losses in 1980 reflected the effects of the recession on passenger and freight business and the limited progress on productivity in return for the 20 per cent pay settlement in May 1980.

The recession cost BR up to £120m in lost revenue, out of total income of £2,262m which included the £633.6m "passenger service obligation grant" by the Government to help pay for socially-essential rail services.

The losses continued this year. In the first six months, BR lost £37.4m after interest, compared with a £24.2m loss in the first half of 1980.

Sir Peter, who announced the latest loss figures in August while under threat of a national rail strike, said the railway industry faced its "worst cash crisis" since he took office five years ago.

The rail strike was averted after intervention of the Advisory Conciliation and Arbitration Service. Railmen were awarded the 11 per cent, two-stage pay offer originally proposed by BR subject to an unprecedented agreement to talk about wide-range productivity changes.

Even without the strike BR forecast in August that it would have a £140m loss for the full year to the end of December—twice last year's loss. Sir Peter insisted that its finances were not in any way "out of control."

He forecast an overshoot of £70m of the government-imposed external finance limit of £920m for 1981-82. So far BR has not been to the Transport Department to seek an extension of the limit.

BR is fortunate in having been given £53m by Mr Norman Fowler, the former Transport Secretary, in its £920m external finance limit to get out of the heavily-losing collected and delivered parcels business, Rail Express Parcels.

Not all this money was used when the rail parcels business stopped in the summer.

BR will be allowed to make use of the balance of more than £33m to help to counter the effects of the recession in demand.

Increased competition from other forms of transport, especially the express motorway coach services, and British Airways' standby domestic air fares, have helped to force BR's hand in keeping fare increases down.

The motorway express coach services were de-regulated last year by Mr Norman Fowler's Transport Act. BR poured scorn on the likely impact of motorway coach services, but dramatic fare reductions of between 25 and 50 per cent took it by surprise.

National Express, the State-owned express coach service, reacted yesterday with offers that instantly undermined the BR offers.

Cable group tests films on TV service in London

BY ELAINE WILLIAMS

VISIONHIRE CABLE, part of the Electronics Rental group, is to begin its experimental subscription television service in London next Thursday.

The service, which will allow subscribers to receive recent feature films by cable, is the largest of 12 pilot schemes licensed this year by the Home Office.

For a monthly subscription of £7.95, up to 170,000 viewers conected to Visionhire's existing cable system can receive programmes consisting mainly of box office successes such as the Deer Hunter, Grease and Death on the Nile.

The programmes will be run by BBC Enterprises and transmitted to Visionhire's system from BBC studios at Wood Lane.

Rediffusion was the first company to start experimental subscription TV in the UK at the beginning of September. It will be joined by British Telecom and Philips at the end of this month, and Radio Rentals, part of the Thorn-EMI group in early November.

The two other companies taking part in the experiment are Greenwich Cablevision and British Relay, part of the Visionhire group.

The pilot schemes will run for two years, when the Home Office will review the future of subscription television. Already pay television has become successful in the U.S. where nearly one-quarter of the 80m television sets are connected to various cable systems.

In the UK, cable companies hope the service will revive flagging interest in cable television, which has been declining since the mid-1970s.

● Britain's first regional teletext service is to be launched in Scotland on Monday. Scottish Television has been chosen as the first of Britain's 15 commercial TV companies to run a regional service and the others will follow over the next three years.

There are two national teletext services, the BBC's Ceefax and ITV's Oracle, which show pages of printed information.

Wind and sun harnessed for relay station

By Martin Dickson, Energy Correspondent

THE FIRST television transmitting station in Britain powered by the wind and the sun has been built in Cornwall by the Independent Broadcasting Authority.

The station, at Bossiney, will provide ITV, BBC and Channel Four programmes to about 300 people.

It will test the economics of wind and sunpower in relaying 625-line colour television to small, isolated communities.

Power will come from a wind generator with an output of 150 watts, and an array of 24 solar panels which can provide a maximum output of 780 watts in peak sunlight. These will also charge a bank of batteries to provide electricity when the wind is too low or the sun is obscured.

Much of the equipment has been brought from LGT, a French company, which has done similar work in France.

Warning on nuclear threshold

By Mark Meredith, Scottish Correspondent

AN ANGLO-SOVIET meeting in Edinburgh has concluded that the introduction of new weapons, such as the neutron bomb, into Europe would lower the nuclear threshold between the East and West.

The "Edinburgh conversations" this week, under the auspices of the University of Edinburgh, brought together scientists and experts in international relations.

A statement by the two sides yesterday said they agreed that a continuing political dialogue was essential to reduce the risks of nuclear conflagration.

The group also agreed that "in order to ensure a favourable climate of confidence between states, it is essential to adopt a declaration which categorically condemns any first use of nuclear weapons by any nation —whatever the pretext or whatever the circumstances."

The statement added that the forthcoming Soviet-U.S. talks on medium-range nuclear systems in Europe must result in an agreement which will guarantee a genuine reduction in the level of military confrontation.

Prof John Erickson, head of defence studies at the University of Edinburgh, and one of the participants, said the introduction of Pershing missiles or the neutron bomb in Europe would have the effect of lowering the nuclear threshold to the point at which a nuclear conflict could be set off.

The talks will continue in the Soviet Union next year.

Joseph may trim college courses

By Michael Dixon, Education Correspondent

EMERGENCY STEPS to trim the tangle of degree-level courses in polytechnics, and other colleges run by local authorities, are being taken by Sir Keith Joseph, Secretary for Education and Science.

He has asked local authority associations to co-operate with the Government in setting up temporary machinery to bring the polytechnics' and colleges' degree work under tighter control, with a view to rationalising the courses from September, 1982.

Although the University Grants Committee undertakes central planning and guidance of courses in the university sector, there is no machinery for co-ordinating the activities of the 29 polytechnics and further education colleges.

Both the Government and the main local authority associations agree that some central machinery is needed to coordinate and prune degree work outside the universities. But the two sides are at loggerheads over which should have control over the new machinery.

Sir Keith is trying to break the deadlock by leaving the issue of control of the permanent machinery aside, while setting up short-term means of central management which would not need legislation. He wants the local authorities to agree to begin the exercise next month. Reducing any course overlaps will mean inevitable redundancies among staff.

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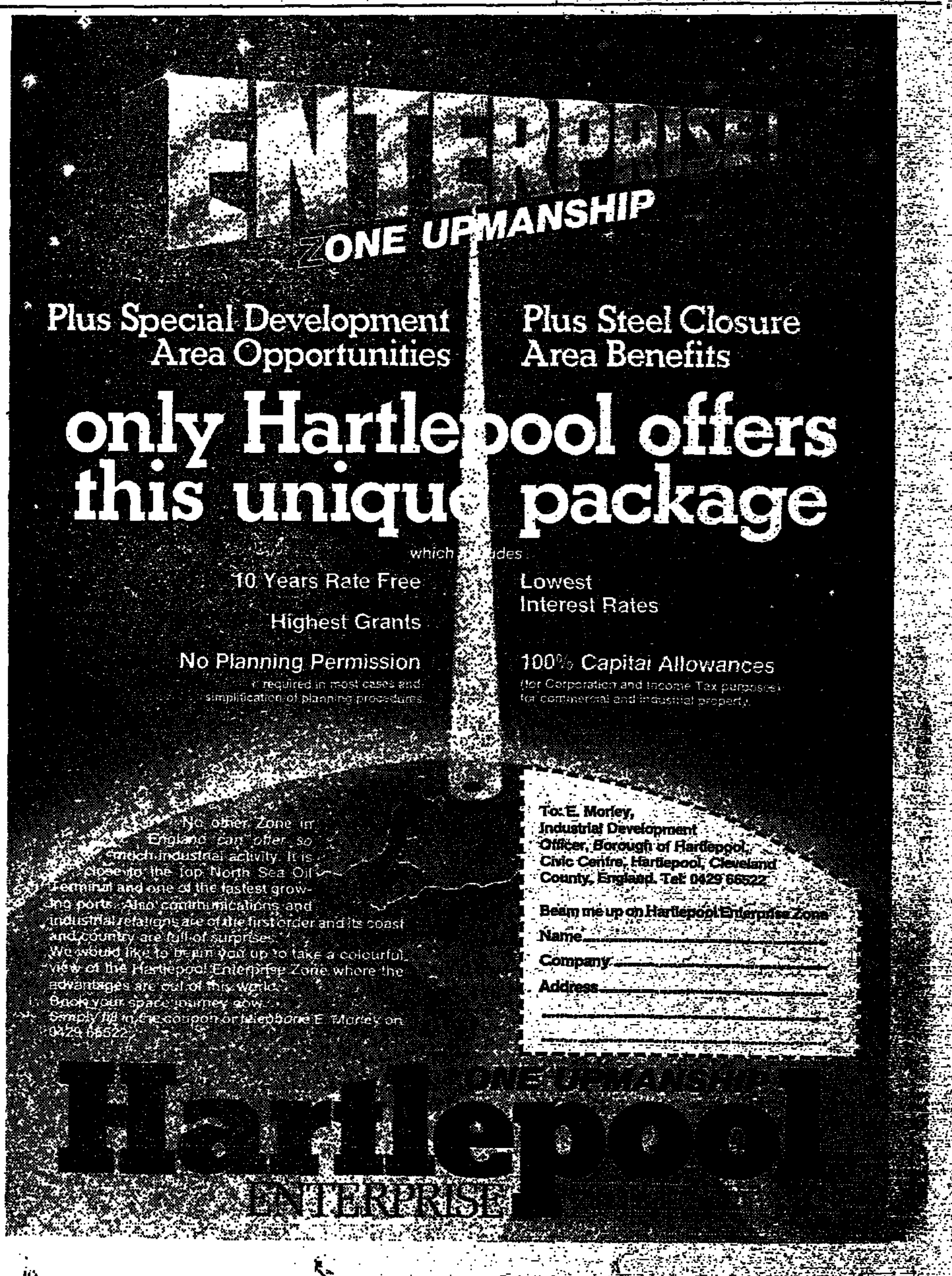


هكذامن الأصل

Prior warns of huge task in creating new jobs in Ulster

BY OUR BELFAST CORRESPONDENT

THE TASK of creating new jobs in Northern Ireland, where one in five is out of work, will be colossal, according to Mr James Prior, the Northern Ireland Secretary.

In a foreword to a report on industrial development policy, he said Northern Ireland had chronic unemployment, was on the periphery of Europe, and had an image of terrorism and political difference which was off-putting to overseas investors.

In the document, entitled Framework for Action, the Government suggests that, given favourable conditions, it would be possible to increase the number of jobs promoted by the Government each year from the present annual average of 6,500 to at least 10,000.

However, the document says it would be meaningless in present circumstances to set that as a target for next year.

It restates a commitment to the development of small business and puts a stronger emphasis on securing and expanding employment in Northern Ireland's indigenous companies.

It recognises a potential in the service sector for creating new jobs. The Northern Ireland Department of Commerce and the Northern Ireland Development Agency—which next year will be merged into a new Industrial Development Board—would try to attract service industry to the province.

High-technology manufacturing, such as biomedical engineering, is identified as a target in the effort to attract overseas investors.

But the report was attacked by the Northern Ireland Committee of the Irish Congress of Trade Unions, which said it appeared "amateurish and facile" compared with the detailed planning contained in the five-year programmes issued by the Industrial Development Authority in the Irish Republic.

"If inadequate targets were being set, it could only be assumed that inadequate resources would be used to tackle the problem, said the Congress.

At a Press conference, Mr Adam Butler, Minister of State, said Northern Ireland's unemployment would not improve for some time. It was likely to continue rising into next year until the effects of economic recovery were felt.

● Mr Butler said he hoped a statement could be made soon on the investigation into allegations of financial irregularities against the De Lorean sports car company in Belfast.

He said: "In discussions which Mr John De Lorean has had with me, he was in no way critical of what the Government has done, and he appreciates that it has behaved quite properly."

MP fears violence on city outskirts

Financial Times Reporter

STREET violence could break out in the vast council estates on the edges of Britain's cities, Mr Anthony Steen, Conservative MP for Liverpool Wavertree has warned.

Mr Steen, launching his study, New Life for Older Cities, said he believed estates on city outskirts could be the next flare-up point because inner city problems had moved there.

Mr Steen's programme, published by Aims for Industry, the private enterprise organisation, and endorsed by 82 Conservative MPs emphasises the role private enterprise can play.

● A campaign to convert thousands of acres of derelict land in urban areas has been launched.

Waking Up Dormant Land is published by two environmental pressure groups, the Council for Environmental Conservation and Youth Unit and Fair Play for Children.

- New Life for Old Cities by Anthony Steen, from Aims of Industry, 40 Doughty Street, London WC1N, £3.25

Waking Up Dormant Land, CoEnCo, Zoological Gardens, Regents Park, London NW1, £3.40

EEC to clear way for air fares cut

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

RULES THAT would cut through the price-fixing powers of EEC states to set high air fares on scheduled routes are due to be drawn up urgently by the European Commission.

The move, which is likely to provoke serious disagreement between EEC members, has been made by the British Government.

In its capacity as president of the EEC Council of Ministers, the UK yesterday demanded that the Brussels Commission should rush through a draft directive liberalising air fares in time for the proposals to be reviewed by member governments before the end of 1981.

Britain has made it plain that the Commission's draft directive should be completed in advance of the next EEC meeting of transport ministers, scheduled for December 15.

The grounds for accelerating Brussels' procedures and introducing urgent changes to the European air fares system have been set out in a letter from Mr John Biffen, Secretary of State for Trade, to Mr Frans Andriessen, the EEC Competition Commissioner.

Mr Biffen said the Government was not satisfied with the progress made by the EEC towards liberalising air fares. "It is clear that some fares are too high," he said.

In the Government's reply to the Commission's request for information on fares fixing policy, Mr Biffen said significant changes in fares-fixing were needed to meet justified consumer demand, and "very probably as a matter of Community law under the Treaty of Rome."

"We want some urgent action to allow the introduction of competitive fares where we and our airlines believe they are justified.

"We shall not be satisfied until we have brought about changes."

The UK wants the EEC to adopt measures to end the present "closed system" of fixing fares through bilateral agreements, where one government can block the cheap fares plans put forward by another. Mr Biffen said this technique was outmoded and probably contrary to Community law.

The UK wants to see a system where any government can introduce sensible fares, which it believes are reasonable in relation to airline costs—a unilateral rather than a bilateral approach.

"We recognise that we will have a difficult time in convincing our Community partners to make these changes," Mr Biffen said. "But we are determined to pursue this path and fully determined to make as much progress as possible in the remaining months of the UK presidency of the Community.

"I believe that we have public opinion firmly behind us in this country and, in fact, in most other Community countries."

The UK's response to the Commission's request for information on fares fixing is detailed, but it also sets out how the UK has moved in recent years to prevent fares rises which it thought unjustified.

Instrument makers set for major expansion

By James McDonald

TEXAS INSTRUMENTS is to undertake a major expansion costing several million pounds at its site at Manton Lane, Bedford. The project is expected to create between 400 and 500 new jobs by 1985.

Planning permission was obtained in June. Work will start this month on the first phase of the programme—190,000 square feet of offices and support facilities—and it should be completed within a year.

The contract has been awarded to the French Kier organisation.

The new office space will be occupied mainly by Geophysical Services International, a division of Texas Instruments

Bedford is the headquarter's for GSI's operations in Europe, Africa and the Middle East

Data processing is the main activity of GSI in Bedford. At present a satellite link into Texas Instruments scientific computer in Austin, Texas is used, but it is planned to install a large new mainframe computer in Bedford so that the data processing facilities will become self-contained.

Policy on council house sales defended

BY JAMES McDONALD

THE GOVERNMENT has firmly rejected criticisms of its council house sales policy made by the all-party House of Commons Environment Committee in July.

In its report, the committee said the Department of the Environment had not done enough research into the adverse effects of selling council houses. The policy, it said, would create ghettoes, would favour the better off council tenants, and would lead to shortages of council houses.

In a White Paper published yesterday, the Government said its policy has been endorsed "by more than half a million people who have either completed the purchase of a council dwelling under the present Government or have applied to do so."

The White Paper said that in the first nine month after the introduction of the Government's Right to Buy policy about 380 000 tanents in Great Britain applied to buy their homes. The Environment Committee's report gave scant recognition to this

"None of the evidence published by the committee examines the views of tenants who now wish to buy, or of those who decided to buy as sitting tenants some years ago and whose view as to the wisdom of that decision would have been instructive. The Government considers this a serious omission in the balance of the report."

Moves to boost job prospects in Linwood

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE GOVERNMENT has intensified efforts to improve job prospects in the Linwood area, south west of Glasgow, where 4,500 workers were laid off when the Talbot works closed this year.

Male unemployment in the Johnstone area, which includes Linwood, is more than 20 per cent and the closure of the Talbot works was instrumental in bringing Strathclyde's jobless figure to about 4 per cent above the UK average.

The government plans include creating small workshop units in Linwood and Johnstone to encourage small businesses, and refurbishing factory space on the nearby Hillington industrial estate to make it more attractive to smaller enterprises.

A private agency, Job Creation, has been engaged to find jobs for the area and the Scottish Development Agency is to help PSA, the Peugeot Citroen group, sell the Linwood plant. This could involve splitting the car works into small units.

Mr George Younger, Secretary of State for Scotland, said the Government was not prevented by a shortage of money. "All we are short of is projects to come in and take up the offers."

The Scottish Office is thought to be hoping that a local self-help organisation might be set up by newly formed companies in the area. It would channel information to prospective newcomers about devlopment aid and the availability of advance factory space.

A similar unit exists among companies moving into the former ICI nylon works at Ardeer, near Irvine, on the Ayrshire coast.

● Mr Peter Carmichael, joint managing director of Hewlett-Packard, has been appointed director of small business and electronics at the Scottish Development Agency.

Tombs profiles five faces of nuclear power protestor

BY DAVID FISHLOCK, SCIENCE EDITOR

ADVOCATES of nuclear energy should reserve their persuasive powers for just one of five different classes of objector, Sir Francis Tombs, chairman of the Weir group, told leading engineers in London last night. The category was "those who are honestly worried about the balance between advantages and disadvantages."

A former chairman of the Electricity Council, Sir Francis was delivering his inaugural address as president of the Institute of Electrical Engineers.

Of the other categories he described, one was those people who were distrustful of technological change and were unlikely to be convinced by numerical arguments.

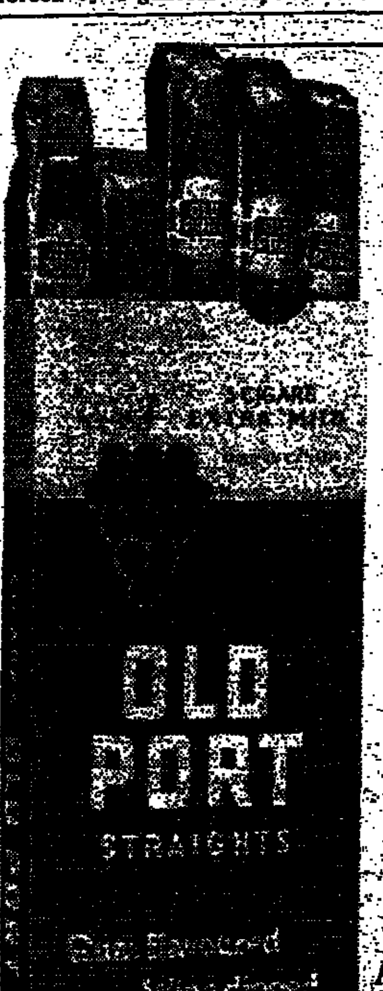
"Their distrust is often reinforced by a general scepticism about authority and the decisions of the establishment."

A third category was the self-interested proponents of novel energy resources.

"Faced with the fact that many such sources require large capital investments because of their diffuse and intermittent nature, some enthusiasts attack the principle of nuclear power in order to leave more room for their pet projects."

His fourth category of objector was the conservationist, whose assertion that more conservation with solar power could solve energy problems "does not survive careful analysis."

The last category identified by Sir Francis was what he called the crusader with a need to embrace a cause.



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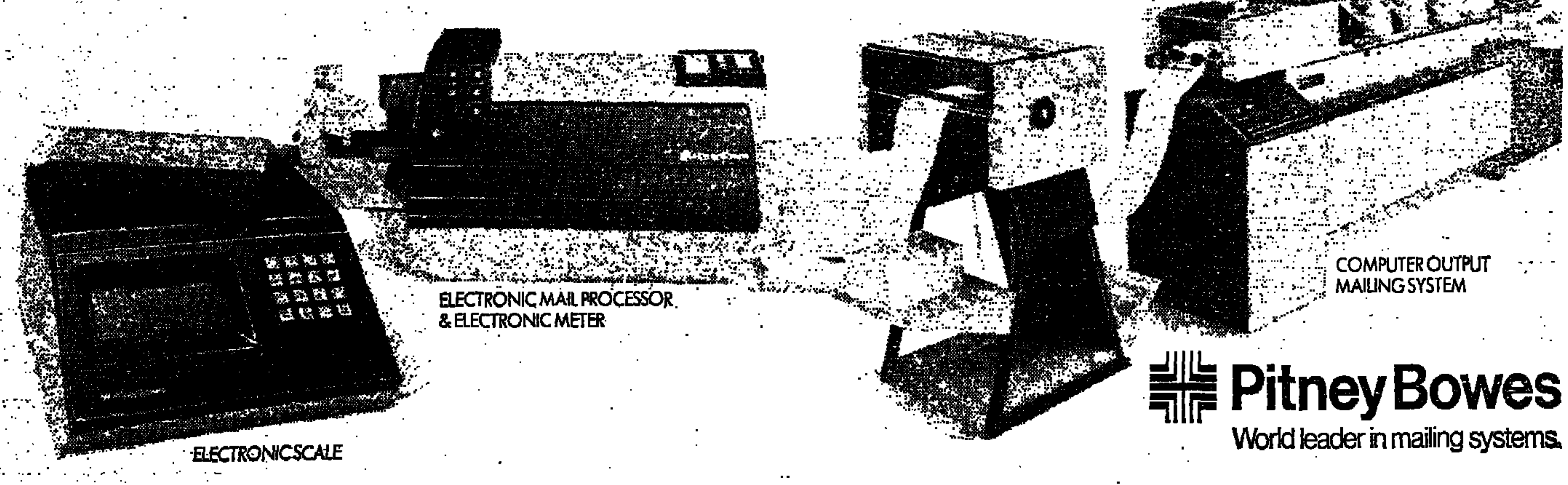

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UK NEWS

Can makers to spend £2m on expansion of recycling scheme

BY ELAINE WILLIAMS

BRITAIN'S FIVE leading metal can manufacturers are to launch a can recycling scheme, it was announced yesterday.

Metal Box, Nacanco, The Crown Cork Company, Continental Can and American Can (UK) will spend £2m over the next three years to extend the reclamation of steel and aluminium cans.

The industry's decision follows pressure from environmentalists and recommendations of a report published by the Waste Management Advisory Council which studied waste recycling schemes for the Government.

At present, the industry recycles about 1.7bn cans, 17 per cent of the cans it makes. The aim of the scheme is to recycle 2.6bn cans by 1985.

The can makers say that at today's prices this represents a saving of about £4m a year, on top of savings on waste disposal.

It is estimated that by using recycled metal, energy savings of up to 20 per cent during manufacture will be achieved.

Three recycling schemes already in operation will form the heart of the can industry's recycling expansion programme.

The first scheme was launched in 1975 by British Steel, Vulcan and Metal Box. They set up a company called Material Recovery to recycle tinplate and bimetallic cans from refuse.

A new process was developed to convert the scrap into high quality steel scrap and high-purity tin. Material Recovery recently opened a new plant at Stalybridge, Manchester, costing about £350,000, which is able to produce 4,000 tonnes of recovered metal a year.

Alcoa, the can industry's major aluminium supplier, has spent about £250,000 on its Cash-a-Can recycling programme, launched in 1979.

The third scheme, Catch-a-Can, has been operating experimentally in Leeds and is to be extended to 20 other towns in the UK.

Law Society president calls for radical legal reforms

BY A. H. HERMANN, LEGAL CORRESPONDENT

A RADICAL call for review of the law and its administration was made by the president of the Law Society yesterday. Adressing the society's national conference in Harrogate, Mr Denis Marshall said that minor changes and reforms would no longer meet the public need.

In some areas of law delays and expense frustrated its purpose and impaired the quality of justice. He urged solicitors to be prepared for changes in law and practice and to press for reforms where necessary.

This call for major law reform embracing both criminal and civil courts is the first to be made in such uncompromising terms by the head of the solicitors' branch of the legal profession. It follows a series of committees and Royal Commissions on special aspects of law, whose recommendations have remained largely ignored.

Mr Marshall said that one of the reasons why the crime rate is so high and the courts so overtaxed, is the enactment in the last 20 years of no less than 4,000 new statutory offences.

A separation of merely technical and truly criminal offences was required both to preserve respect for the law and to relieve criminal courts which should deal only with serious offences of an anti-social nature. Statutory offences, which are not regarded as carrying a moral stigma, should be prosecuted in administrative courts' for example, in the traffic courts recommended by the Law Society 15 years ago.

The delays and rising costs of criminal prosecutions revealed the need for a review of the whole working of the criminal trial system. If more criminal business could be disposed of summarily in the Magistrate's Court, without the right of electing trial by jury, this would also avoid the lapse of time which deprives punishment of a deterrent effect.

Turning to the delays and high costs of civil litigation, Mr Marshall said that little or no action had been taken so far to implement the recommendations made by the Pearson Commission in 1978 on compensation for personal injury, urging that compensation be paid speedily after the accedent when it is most needed.

It also found that administrative and legal costs were often disproportionately high compared with compensation awards, and recommended a "no-fault" basis for personal injuries in motor accidents, similar to the industrial injuries scheme.

Dealing with the wider issues of civil procedure, Mr Marshall questioned the desirability of leaving the progress of cases in the hands of solicitors, and the wholly oral basis of proceedings. There was need to consider the possibility of giving courts greater control over the progress of cases.

Editorial Comment, Page 22

Researchers throw doubt on official personal lending growth figures

BY WILLIAM HALL, BANKING CORRESPONDENT

THE GROWTH in personal lending may be far less buoyant than indicated by the latest official figures. According to AGB Index, a leading market research company, consumer credit (excluding mortgages) grew by only 2 per cent in money terms in the year to the end of June.

Personal lending fell in real terms by about a tenth, according to figures compiled by the company, which monitors the consumer credit market on a regular basis from a sample of 10,000 people.

Almost all the growth in personal lending (excluding house loans) has been concentrated on the 26 per cent of the adult population with credit cards, although this group taps various other sources of credit.

John English, a director of AGB Index, said yesterday that this group, whose disposable income has not been under the same pressure as that of the less affluent sector, increased its horrowing by 23 per cent over the year.

By contrast, people with bank accounts but without credit cards reduced their credit commitments by one-fifth in money terms, year on year, although the amount outstanding per head is still more than double that of the 40 per cent of the adult population without bank accounts.

In terms of the total consumer credit market, AGB Index calculates that credit card holders account for 60 per cent of all credit outstanding. Current account holders without credit cards account for 28 per cent, and the "unbanked" sector of the community takes up 12 per cent.

Over the past 12 months, the credit card has increased its share of the personal lending market from 17 per cent to 19 per cent. Bank loans have fallen by 1 per cent to 30 per cent, while direct personal lending by finance houses and the consumer finance affiliates of U.S. banks has increased from 11 per cent to 14 per cent.

These figures underline the success of the "money-shops" which lend money direct to customers, in building up their market share. This has happened at the expense of the traditional hire purchase companies, which normally provide credit indirectly through outlets, such as motor-car dealers.

The figures from AGB Index appear to support the view of the high street banks that much of the growth in personal lending (excluding mortgages) merely reflects a change in market share rather than major growth in the overall consumer credit market.

June consumer credit usage

	1980	1981
	% of total	
Credit card	17	19
Bank loans	31	30
Finance House—direct	11	14
Finance House—indirect	18	14
Store	5	5
Mail order	5	5
Overdraft	3	2
Other	10	9

Source: AGB Index

Gold Fields Group

SEPTEMBER QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

DRIEFONTEIN CONSOLIDATED LIMITED

(formerly East Driefontein Gold Mining Company Limited)

ISSUED CAPITAL: 94,638,000 ordinary shares of R1 each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981
OPERATING RESULTS:		
Gold – East Driefontein:		
Ore milled (t)	705,000	675,000
Gold produced (kg)	8,932.5	9,111.9
Yield (g/t)	12.7	13.5
Price received (R/kg)	12,575	12,801
Revenue (R/t milled)	159.73	173.01
Cost (R/t milled)	43.04	40.20
Profit (R/t milled)	116.69	132.81
Revenue (R000's)	112,610	116,782
Cost (R000's)	30,344	27,136
Profit (R000's)	82,266	89,646
Gold – West Driefontein:		
Ore milled (t)	715,000	675,000
Gold produced (kg)	10,012.3	9,787.5
Yield (g/t)	14.0	14.5
Price received (R/kg)	12,572	12,959
Revenue (R/t milled)	176.50	188.33
Cost (R/t milled)	47.42	45.24
Profit (R/t milled)	129.08	143.09
Revenue (R000's)	126,199	127,125
Cost (R000's)	33,906	30,540
Profit (R000's)	92,293	96,585
Uranium Oxide:		
Pulp treated (t)	336,480	313,400
Oxide produced (kg)	64,070	59,422
Yield (kg/t)	0.190	0.190
FINANCIAL RESULTS (R000's):		
Working profit: Gold	174,559	186,231
Profit on sale of Uranium Oxide and Sulphuric Acid	2,294	3,942
Net tribute royalties and sundry mining revenue	2,680	3,054
Net mining revenue	179,533	193,227
Net non-mining revenue (group)	13,432	13,364
Profit before taxation and State's share of profit	192,965	206,591
Taxation and State's share of profit	106,721	114,500
Profit after taxation and State's share of profit	86,244	92,091
Capital expenditure	18,251	18,105
Dividends	—	175,685

DIVIDENDS:
Dividends declared before the merger:
Driefontein Consolidated Limited
Dividend (No. 16) of 135 cents (78.24753p) per share was declared on 9 June 1981 and was paid on 4 August 1981 to members of the former East Driefontein Gold Mining Company Limited registered on 26 June 1981.
West Driefontein Gold Mining Company Limited
Dividend (No. 57) of 725 cents (420.21824p) per share was declared on 9 June 1981 and was paid on 4 August 1981 to former members of West Driefontein Gold Mining Company Limited registered on 26 June 1981.

CAPITAL EXPENDITURE:
The unexpended balance of authorised capital expenditure at 30 September 1981 was R239.2 million.

SHAFTS:
Because certain of the shafts at East Driefontein and West Driefontein have the same numbering, it has been decided to have the suffix "E," in the case of East Driefontein, and the suffix "W," in the case of West Driefontein, added to the shaft designations. In addition, the East Driefontein No. 2 Sub-Vertical Shaft has been re-designated No. 4 Sub-Vertical Shaft—E.

No. 4 Sub-Vertical Shaft—E: The shaft was sunk 52 metres to a depth of 386 metres below collar. Excavation of 31 Level station is complete.

No. 2A Service Shaft—E: The shaft was sunk 47 metres to a depth of 193 metres below collar. Excavation of 21 Level station is complete.

No. 5 Shaft—E: Initial pre-sinking has been carried out to a depth of 32 metres below collar.

No. 5 Sub-Vertical Shaft—E: Development of the bank layout on 22 Level is still in progress.

PRODUCTION:
A production loss occurred at West Driefontein as a result of a fire which was detected on 14 August 1981 in the No. 5 West Sub-Vertical Shaft—W area. The affected area was sealed off but was subsequently re-opened and normal mining in the area was resumed on 31 August 1981. A claim for loss of profits arising as a result of the fire is being lodged with the company's insurers.

DEVELOPMENT:		
East Driefontein:		
Ventersdorp Contact Reef		
Advanced (m)	3,384	3,229
Sampling results:		
Sampled (m)	524	300
Stope width (cm)	140	150
Av. value: gold: (g/t)	10.4	18.8
cm. g/t	1,456	2,820
Carbon Leader		
Advanced (m)	550	726
Sampling results:		
Sampled (m)	120	782
Stope width (cm)	120	117
Av. value: gold: (g/t)	4.6	14.4
cm. g/t	552	1,685
Main Reef		
Advanced (m)	833	875
Sampling results:		
Sampled (m)	138	340
Stope width (cm)	137	130
Av. value: gold: (g/t)	4.7	5.6
cm. g/t	644	728
West Driefontein:		
Carbon Leader		
Advanced (m)	4,250	4,303
Sampling results:		
Sampled (m)	600	490
Stope width (cm)	125	126
Av. value: gold: (g/t)	29.3	28.6
cm. g/t	3,663	3,604
Ventersdorp Contact Reef		
Advanced (m)	2,188	2,078
Sampling results:		
Sampled (m)	948	738
Stope width (cm)	178	131
Av. value: gold: (g/t)	8.3	2.1
cm. g/t	1,477	1,547
Main Reef		
Advanced (m)	2,205	1,855
Sampling results:		
Sampled (m)	784	562
Stope width (cm)	150	159
Av. value: gold: (g/t)	5.7	4.3
cm. g/t	855	684
North Leader		
Advanced (m)	102	89
Sampling results:		
Sampled (m)	60	80
Stope width (cm)	106	105
Av. value: gold: (g/t)	5.6	6.3
cm. g/t	594	668

On behalf of the board
R. A. Plumbridge
C. T. Fenton } Directors

8 October 1981

DOORNFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 10,000,000 shares of R1 each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981
OPERATING RESULTS:		
Gold:		
Ore milled (t)	360,000	360,000
Gold produced (kg)	2,909.8	3,024.0
Yield (g/t)	8.1	8.4
Price received (R/kg)	12,512	12,921
Revenue (R/t milled)	101.34	108.71
Cost (R/t milled)	50.87	46.05
Profit (R/t milled)	50.47	62.66
Revenue (R000's)	36,481	39,137
Cost (R000's)	18,311	16,579
Profit (R000's)	18,170	22,558
FINANCIAL RESULTS (R000's):		
Working profit: Gold	18,170	22,558
Net sundry revenue	2,155	2,440
Profit before taxation and State's share of profit	20,325	24,998
Taxation and State's share of profit	8,705	6,895
Profit after taxation and State's share of profit	11,620	18,103
Capital expenditure	4,742	11,278
Dividend	—	20,000

DIVIDEND: A dividend (No. 49) of 200 cents (115.92227p) per share was declared on 9 June 1981 and was paid to members on 4 August 1981.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 September 1981 was R140.9 million.

SHAFTS:
No. 3 Shaft: Full-scale sinking operations have commenced and the shaft has been sunk to a depth of 246 metres below collar.
No. 3 Sub-Vertical Shaft: Development underground is progressing towards the proposed shaft site and associated chambers.

DEVELOPMENT:		
Carbon Leader		
Advanced (m)	2,843	2,521
Sampling results:		
Sampled (m)	502	302
Stope width (cm)	108	117
Av. value: gold. (g/t)	17.1	9.3
cm. g/t	1,847	1,088
Main Reef		
Advanced (m)	2,639	2,718
Sampling results:		
Sampled (m)	1,116	962
Stope width (cm)	125	127
Av. value: gold: (g/t)	3.7	5.0
cm. g/t	463	635

On behalf of the board
C. T. Fenton
P. R. Janisch } Directors

8 October 1981

DEELKRAAL GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 99,540,000 shares of 20 cents each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981	9 months ended 30/9/1981
OPERATING RESULTS:			
Gold:			
Ore milled (t)	320,000	298,000	905,000
Gold produced (kg)	1,462.2	1,271.6	3,941.0
Yield (g/t)	4.6	4.3	4.4
Price received (R/kg)	12,647	13,726	12,897
Revenue (R/t milled)	57.98	56.16	56.38
Cost (R/t milled)	47.08	45.46	45.24
Profit (R/t milled)	10.90	10.70	11.14
Revenue (R000's)	18,554	16,735	51,020
Cost (R000's)	15,066	13,547	40,941
Profit (R000's)	3,488	3,188	10,079
FINANCIAL RESULTS (R000's):			
Working profit: Gold	3,488	3,188	10,079
Net sundry revenue	598	502	1,391
Total Profit	4,086	3,690	11,470
Capital expenditure	2,050	1,413	4,575

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 September 1981 was R22.0 million.

NO. 1 SUB-VERTICAL SHAFT: The 7 Level south man winder has been commissioned and is in operation.

DEVELOPMENT:			
Ventersdorp Contact Reef			
Advanced (m)	6,004	6,047	17,780
Sampling results:			
Sampled (m)	714	648	2,604
Stope width (cm)	153	156	150
Av. value: gold: (g/t)	4.8	6.0	5.2
cm. g/t	734	936	780
Deelkraal Reef			
Advanced (m)	410	552	1,338
Sampling results:			
Sampled (m)	358	450	1,108
Stope width (cm)	171	185	185
Av. value: gold: (g/t)	3.0	2.3	3.1
cm. g/t	513	426	574

On behalf of the board
C. T. Fenton
P. R. Janisch } Directors

8 October 1981

KLOOF GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 30,240,000 shares of R1 each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981
OPERATING RESULTS:		
Gold:		
Ore milled (t)	520,000	505,000
Gold produced (kg)	7,605.1	7,327.8
Yield (g/t)	14.6	14.5
Price received (R/kg)	12,552	13,117
Revenue (R/t milled)	184.14	190.58
Cost (R/t milled)	52.20	50.60
Profit (R/t milled)	131.94	140.00
Revenue (R000's)	95,752	96,232
Cost (R000's)	27,144	25,602
Profit (R000's)	68,608	70,630
FINANCIAL RESULTS (R000's):		
Working profit: Gold	68,608	70,630
Net sundry revenue	4,852	5,180
Profit before taxation and State's share of profit	73,460	75,811
Taxation and State's share of profit	42,261	41,049
Profit after taxation and State's share of profit	31,199	34,862
Capital expenditure	4,349	8,164
Dividend	—	72,578

DIVIDEND: A dividend (No. 23) of 240 cents (139.10673p) per share was declared on 9 June 1981 and was paid to members on 4 August 1981.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 September 1981 was R191.1 million.

NO. 3 SUB-VERTICAL SHAFT: The shaft was sunk 69 metres to 31 Level station at a depth of 548 metres below collar. Sliping of the rock hoist rope races is complete.

DEVELOPMENT:		
Ventersdorp Contact Reef		
Advanced (m)	6,952	6,964
Sampling results:		
Sampled (m)	284	50
Stope width (cm)	189	147
Av. value: gold: (g/t)	12.3	10.5
cm. g/t	2,322	1,544
Kloof Reef		
Advanced (m)	428	401
Sampling results:		
Sampled (m)	60	74
Stope width (cm)	193	190
Av. value: gold: (g/t)	2.8	3.7
cm. g/t	540	703

On behalf of the board
C. T. Fenton
P. R. Janisch } Directors

8 October 1981

LIBANON GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 7,937,300 shares of R1 each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981
OPERATING RESULTS:		
Gold:		
Ore milled (t)	420,000	420,000
Gold produced (kg)	2,563.1	2,519.9
Yield (g/t)	6.1	6.0
Price received (R/kg)	12,529	12,933
Revenue (R/t milled)	76.63	77.70
Cost (R/t milled)	40.16	37.34
Profit (R/t milled)	36.47	40.36
Revenue (R000's)	32,187	32,634
Cost (R000's)	16,868	15,684
Profit (R000's)	15,319	16,950
FINANCIAL RESULTS (R000's):		
Working profit: Gold	15,319	16,950
Net sundry revenue	1,830	2,032
Profit before taxation and State's share of profit	17,149	18,982
Taxation and State's share of profit	6,034	7,530
Profit after taxation and State's share of profit	11,115	11,452
Capital expenditure	5,183	4,989
Dividend	—	15,875

DIVIDEND: A dividend (No. 61) of 200 cents (115.92227p) per share was declared on 9 June 1981 and was paid to members on 4 August 1981.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 September 1981 was R94.3 million.

SHAFTS:
No. 4 Shaft: Erection of the headgear is complete and work on other surface installations is in progress.
No. 4 Sub-Vertical Shaft: The shaft was sunk 31 metres to a depth of 1,842 metres below collar. Cutting of the transfer level and excavations near the shaft bottom have commenced.
No. 4A Service Shaft: The shaft was sunk 44 metres to a depth of 201 metres below collar. 20½ Level station has been completed.

DEVELOPMENT:		
Main Reef		
Advanced (m)	2,660	2,948
Sampling results:		
Sampled (m)	640	860
Stope width (cm)	135	133
Av. value: gold: (g/t)	6.2	5.8
cm. g/t	837	771
Ventersdorp Contact Reef		
Advanced (m)	1,484	1,088
Sampling results:		
Sampled (m)	106	62
Stope width (cm)	159	149
Av. value: gold: (g/t)	6.0	3.7
cm. g/t	954	551
Elsburg Reef		
Advanced (m)	152	364
Sampling results:		
Sampled (m)	48	168
Stope width (cm)	229	240
Av. value: gold: (g/t)	4.2	3.4
cm. g/t	962	816
Kimberley Reef		
Advanced (m)	25	27
Sampling results:		
Sampled (m)	16	Nil
Stope width (cm)	210	—
Av. value: gold: (g/t)	7.6	—
cm. g/t	1,596	—

On behalf of the board
P. R. Janisch
C. T. Fenton } Directors

8 October 1981

VENTERSPOST GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 5,050,000 shares of R1 each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981
OPERATING RESULTS:		
Gold:		
Ore milled (t)	349,000	345,000
Gold produced (kg)	1,422.1	1,396.0
Yield (g/t)	4.1	4.0
Price received (R/kg)	12,554	12,964
Revenue (R/t milled)	51.28	52.66
Cost (R/t milled)	46.14	42.52
Profit (R/t milled)	5.14	10.14
Revenue (R000's)	17,898	18,167
Cost (R000's)	16,104	14,670
Profit (R000's)	1,794	3,497
FINANCIAL RESULTS (R000's):		
Working profit: Gold	1,794	3,497
Profit on sale of pyrite	89	195
State assistance	90	—
Net sundry revenue	812	777
Profit before taxation	2,785	4,469
Taxation (non-mining)	336	447
Profit after taxation	2,449	4,022
Capital expenditure	843	1,032
Dividend	—	6,818

DIVIDEND: A dividend (No. 82) of 135 cents (78.24753p) per share was declared on 9 June 1981 and was paid to members on 4 August 1981.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 30 September 1981 was R8.0 million.

PRODUCTION: A fire was detected on 8 July 1981 on 28 Level on the Ventersdorp Contact Reef horizon. The area affected by the fire was sealed off, but was subsequently re-opened and mining has been resumed in the area. A claim for loss of profits arising as a result of the fire is being lodged with the company's insurers.

DEVELOPMENT:		
Main Reef		
Advanced (m)	1,951	2,066
Sampling results:		
Sampled (m)	510	292
Stope width (cm)	155	166
Av. value: gold: (g/t)	3.3	2.2
cm. g/t	512	365
Ventersdorp Contact Reef		
Advanced (m)	258	284
Sampling results:		
Sampled (m)	112	28
Stope width (cm)	148	144
Av. value: gold: (g/t)	3.1	1.9
cm. g/t	459	274

In addition, 168 metres were advanced in the Middelvlei area. Sampling results were as follows:
Main Reef: 32 metres sampled averaging 1.9 grams per ton over an estimated stope width of 156 centimetres, equivalent to 296 cm.g/t.
Ventersdorp Contact Reef: 16 metres sampled averaging 0.2 gram per ton over an estimated stope width of 141 centimetres, equivalent to 28 cm.g/t.

On behalf of the board
P. R. Janisch
C. T. Fenton } Directors

8 October 1981

VLAKFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 6,000,000 shares of 70 cents each, fully paid.

	Qtr. ended 30/9/1981	Qtr. ended 30/6/1981	9 months ended 30/9/1981
OPERATING RESULTS:			
Gold:			
Ore milled:			
from surface dumps (t)	81,942	91,857	288,276
from outside sources (t)	98,058	88,143	251,724
total milled (t)	180,000	180,000	540,000
Gold produced (kg)	216.0	200.7	617.1
Yield (g/t)	1.2	1.1	1.1
Price received (R/kg)	12,558	13,104	12,875
Revenue (R/t milled)	15.09	14.64	14.74
Working cost (R/t milled)	10.04	8.47	8.37
Rock purchased (R/t milled)	2.94	2.49	2.52
Profit (R/t milled)	2.11	3.68	3.85
Revenue (R000's)	2,716	2,635	7,958
Working cost (R000's)	1,807	1,524	4,519
Rock purchased (R000's)	530	449	1,368
Profit (R000's)	379	662	2,080
FINANCIAL RESULTS (R000's):			
Working profit: Gold	379	662	2,080
Net sundry revenue	290	189	630
Profit before taxation	669	851	2,710
Taxation:			
Formula tax	179	367	1,129
Non-mining tax	77	54	190
Excess recoupments tax	138	4	146
Profit after taxation	275	426	1,268
Net recoupments of surface capital expenditure	304	5	318
Dividend	—	600	600

DIVIDEND: A dividend (No. 73) of 10 cents ([illegible]p) per share was declared on 9 June 1981 and was paid to members on 4 August 1981.

CAPITAL EXPENDITURE: There were no capital expenditure commitments at 30 September 1981.

DUMP TREATMENT: Treatment of material from the Vogelstruisbult dump on a routine basis commenced on 1 July 1981.

EXPLORATION: Prospect drilling from surface to explore the Kimberley Reef horizon is continuing.

On behalf of the board
P. R. Janisch
C. T. Fenton } Directors

8 October 1981

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UK NEWS—THE SOCIAL DEMOCRATS IN LONDON

Owen tries to lure Tories

BY IVOR OWEN

PRESSURE on dissident Tory MPs to move over to the Social Democrats was intensified yesterday when the final stage of the party's conference opened in London.

Dr David Owen, a member of the SDP's collective leadership, sought to entice some of the prominent members of the Conservative Party who believe that the speedy introduction of proportional representation offers the best way of erecting an enduring bulwark against the election of a Labour Government dominated by Left-wing extremists.

He suggested that a coalition government could take office in advance of the next general election if founded on an unequivocal commitment to reform the electoral system.

Dr Owen stressed that within such a coalition the individual parties would be able to retain *their distinctive identities, as* the Social Democrats and Liberals planned to do, while joining together to fight the next election under their newly *established alliance.*

"I don't believe that we should be afraid now of openly advocating to the British people a system of coalition," he declared to sustained applause from a conference which, in terms of numbers and enthusiasm, dwarfed the earlier stages held in Perth and Bradford.

One of the biggest ovations received by a rank-and-file speaker went to Mr Ron Wotherspoon, a former Conservative who was one of the founder members of the Tory Reform Group, which has frequently received encouragement from Mr Peter Walker and other leading Tory "wets."

To a roar of approval, he sent this message to Tory MPs teetering on the brink of deserting Mrs Thatcher—"Come and dry out in the SDP."

Mr Wotherspoon added a withering postscript to his "Come and join us" message to disillusioned Conservatives. He declared: "The only thing you have to lose is the hypocrisy you have to use to stay where you are."

Mr Wotherspoon argued that the strength of the SDP's commitment to proportional representation could not be doubted, and he looked to it to provide the force needed to blow the wind of change through the British constitution.

He claimed that its impact would be particularly marked in such "cradles of apathy" as Newham, where Mr Reg Prentice had fought a losing battle against a group of left-wing activists able to exploit the opportunities resulting from the first-past-the-post system.

Dr Owen emphasised that the introduction of proportional representation formed only part of the wide-ranging constitutional changes which he wished to see introduced.

He contended that the threat of a single chamber Parliament could be countered by a reformed second chamber which included representatives of industry and the professions.

He also advocated voting arrangements *which would permit* the introduction of "cross benchers" in the Commons, so that Parliament could truly be the forum of the whole nation instead of a "*bickering* cockpit."

Dr Owen went further than any other SDP leader in advocating the use of free postal *ballots*.

These, he said, should not just be confined to members of trade unions when decisions had to be reached on strikes or the *Co-operative movements,* consumer organisations and other bodies should be able to use free postal ballots to consult their members as well.

Dr Owen acknowledged that his views on fee-paying schools differed from those of Mrs Shirley Williams when he insisted, to a further roar of approval, that every *individual* should be free to dispose of after-tax income in any way that he chose.

He re-affirmed his opposition to private medicine, but maintained that the way to deal with the issue was not by restrictions but by improving and developing the National Health Service to the extent that there was no longer any demand for private practice.

One of the few significant areas of disagreement to emerge in the debate on the constitution concerned whether the single transferable vote system was the best method of operating proportional representation.

Mr David Marquand, who made the final speech on behalf of the steering committee, confirmed that his preference was for the single transferable vote system. But he made it clear that no conclusive view had yet been reached.

Hugh Routledge

Making a point: Dr David Owen keeps a sharp eye on the floor during the constitutional debate, but Mr Roy Jenkins finds it better to keep his mouth firmly closed

MPs out in the cold on choice of leader

By Ivor Owen

THE SDP showed a clear preference for a one-member, one vote system for electing the party's parliamentary leader in London yesterday, in line with the pattern set at Perth and Bradford.

Views expressed by rank-and-file speakers, and the applause which they received, again showed little support for allowing the choice of leader and possible prime minister to be left to the MPs, *as recommended by the* majority on the party's steering committee.

This increasing support for a one member, one vote system puts the founder members of the SDP, who left the Labour Party because they could not accept the choice of parliamentary leader being taken *out of the hands of* MPs, in a dilemma.

Warnings by Mr David Marquand, a member of the steering committee, that a one *member, one vote method of* electing the leader could result in the Social Democrats facing the same problem which confronts the Labour *Party again made little* impact.

He stressed that SDP members in the country might choose a leader who, like Mr *Tony Benn, was unable to* command the support of the majority of his party in the Commons.

Mr Mike Thomas, MP for Newcastle East, who advocated leaving the decision in the hands of the full party membership, won a big ovation when he argued that to do anything less would be a betrayal of one of the major principles on which the SDP was founded.

In all other respects, the Social Democrats stood for the diffusion of power, and it would be inconsistent to concentrate the decision on the parliamentary leader in the hands of 21 MPs, none of whom had yet been elected under SDP colours, he said.

A former Conservative, Mr David Cargill from Norfolk, was one of the few speakers from the floor to back the proposal that the choice of parliamentary leader should be left to MPs.

He maintained that however large the membership might become, it would be wrong to leave them the final say in electing the man or woman who would be Prime Minister.

SDP members who want the choice of leader to fall on Mrs Shirley Williams, a result more likely to be achieved by a one member, one vote method, cheered Miss Polly Toynbee when she spoke of the "leader herself."

Opinions were divided over whether the party's constitution should discriminate in favour of women by requiring that they constituted at least one-third of membership of the party's council.

Compromise on areas plan likely

BY ELINOR GOODMAN

THE SDP is faced with a rebellion of its members over a key part of its draft constitution.

Members attending the party's rolling conference in the last four days have made it clear that they have serious reservations about the Steering Committee's proposal to base the organisational framework on area parties, made up of a group of half a dozen or so neighbouring constituency setting up its own organisation.

In an effort to defuse the controversy, the steering committee will consider a compromise proposal permitting the area parties to be sub-divided to facilitate the choice of candidates in local elections but leaving control over the selection of parliamentary candidates unchanged.

At a fringe meeting yesterday on party organisation, speakers criticising the proposal for area parties were loudly applauded. Some members of the Steering Committee concede that it may be difficult to resist the pressure for smaller units.

Many SDP members were attracted to the party in the first place because they thought it would allow them to participate in decision-making.

Some have already set up local parties based on constituencies, and are reluctant to hand over to area parties which, under the draft constitution, would take many of the key decisions, such as selecting candidates, and negotiating with the Liberals.

The whole constitution will have to be approved by the party membership, and judging by the mood of this week's debates, it may well be amended.

This could create problems for the party as it would have consequences for other aspects of the constitution—most notably the proposed Council for Social Democracy.

The idea at the moment is that this council should be the "parliament" of the party and meet several times a year at least three times a year. *About* half its members would be made up of representatives of the area parties. The others would be drawn from the regions.

The problem for the leadership is that, if the members insist on going over to constituency parties, it could change the *whole composition* of the council as each constituency would presumably have to have one member on the council.

This would mean *that the* council would be far larger than originally intended.

Some members feel that they should be allowed to retain at least a part *of this money* to finance local activity. But there does seem to be general recognition among the rank and file that the party headquarters badly needs the *money to* finance a central servicing organisation.

The compromise was suggested by Mr William Goodhart, from Kensington and Chelsea, who advised the party in framing its draft constitution.

He warned the leadership that if they sought to impose a party structure which was not acceptable to the majority of members it would run the risk of ruining the SDP. To cheers, he said: "It's clear that many party members are unhappy about having a single unitary area party."

'Leafleteers' join the triumphal procession

"FED UP with dog mess?" asked the leaflet shoved into our hands as we arrived at the Methodist Central Hall, Westminster, for the fifth day of the Social Democrats' triumphal procession through the country.

There could be no doubt about it: the dreaded pamphleteers who flock around the annual gatherings of the two major parties had suddenly battened on to the SDP.

This particular broadside from the League for the Introduction of Canine Control wanted toxocariasis made a notifiable disease.

In the foyer other hopeful publicists were shouting their wares—Stop the tortoise trade. Restore the university cuts. Campaign against restoration of the death penalty and, most curious of all, Are you immune from German measles?

A mass of Social Democratic material was on sale, including large cuddly teddy-bears which seemed an appropriate *symbol for the nice people's* party. Also on offer was a book by David Marquand, one of the founding fathers of the Social Democrat movement entitled Russet-coated captains, the challenge of social democracy.

Looking around the big audience under the huge dome of the hall, the members of the new faith did not seem to bear comparison with the stern, puritan capitains who had spread their levelling doctrine with fire and sword.

In Perth we had the dour, sincere Scots. In Bradford the jolly Northerners. On the *penultimate day of the* travelling conference, this lot looked decidedly comfortable and middle-class.

Nevertheless, the evangelism that has marked these gatherings was still very evident and at times one might have wandered into a Methodist meeting by mistake.

"We are setting out on a voyage of discovery," said Mr John Cartwright, MP for Woolwich East. "We are inspired by a sense of dedication to the crusade we have embarked on—a crusade to save the country."

Certainly, the platform speakers shared this fervent certitude. According to Dr David Owen, the objective of the party was to reform the fortunes of the nation and to bridge the divide between rich and poor.

During the debate of constitutional reform it emerged that MPs and party members shared the belief that proportional representation was the chief instrument for carrying out their massive social revolution.

There seemed to be a touching belief that the millenium could be brought about by a readjustment of the political furniture.

Dr Owen thought that there should be some cross-benches introduced to the floor of the Commons. One speaker wanted two benches set up in the House of Lords so that uncommitted members could speak from either of them according to their views on a particular subject.

A lady who was keen on the single transferable vote method of PR thought it would be like picking out the Social Democratic MP with whom you would most like to spend a dream holiday.

Well, thanks for the offer. But after a week in which we have heard the gospel of social democracy preached from 8 am to midnight, that is one holiday that many of us *would be prepared to forgo.*

John Hunt

Divisions over public schools

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A PROPOSAL that private schools should lose their charitable tax status and be integrated into the State system was put forward by Mr John Roper, SDP spokesman on higher education and the arts.

His remarks were made during the debate on education and came during a day of considerable confusion over the party's attitude towards independent schools.

Earlier Dr David Owen, former Foreign Secretary, had indicated from the platform that he believed people should be *allowed to spend their money* on private medicine and private education if they so wished.

Mrs Shirley Williams, however, writing in an educational journal recently, had said that she had reluctantly come to the conclusions that independent schools should be abolished.

The SDP discussion document on education asserts that private schools help to divide society. It states: "There should clearly be no element of public support for these institutions and existing support should be withdrawn."

In yesterday's debate speakers from the floor hardly referred to the subject and seemed more concerned about the cuts in university funds, the need to reform school examinations and to introduce proper training and further education for 16-19 year olds.

But brief references for and against private education brought cheers of support and shouts and dissent from different parts of the hall. It was clear from the tone of the *debate that this topic will* continue to be a difficult and contentious one for the SDP.

Nevertheless the opening speech by Mr Roper, MP for Farnworth, seemed to be an attempt to put forward a compromise solution.

He said the dilemma was to recognise the contribution to the educational system from the private sector, which was diverse.

"But we would be failing in *our duties if we did not point* out that the existence of a significant sector of private education has divided and continues to divide our society."

He felt the problem of private education was now immeasurably greater than the problem of private medicine. He did not think it was possible to heal social divisions by compulsion. But if Social Democrats could achieve the integration of the education system, by incorporating the strength of independent schools for the advantage of the whole community, that would be no mean achievement.

Mr Roper thought there were many leading figures in private education who would welcome the Social Democrats' search *for a policy of integration.*

He added: "We will review the taxation system which, by an abuse of charitable status, is incorporating social divisions within our society."

Mr Angus Macaskill, a member from Bristol, said that the party's first manifesto was not the time to remove charitable status from private education. It should not be done until every single state school had reached an acceptable standard.

Winding up the discussion Mr Ian Wrigglesworth, MP for Teesside Thornaby, warned the conference against giving the impression that the party would spend money like confetti if it were returned to power. The state of the economy would not allow them to "spend, spend, spend."

Labour defectors attacked

HOSTILITY is mounting within the Labour Party towards Labour defectors to the Social Democrats.

This was reflected yesterday in a leading article in Labour Weekly, the party newspaper, under the heading Twisters defect from Labour.

The opening paragraphs read: "The political dishonesty of the assorted defectors to the Social Democrats knows no bounds.

"It was bad enough when the original bunch of deserters *kept their seats in parliament* and refused to go back to their electors to try to gain endorsement for their treachery.

"But the latest crop are even more guilty of double-dealing. For all five of the latest defectors—Mabon, Mitchell, Ginsburg, Dunn, and McNally—*were all prepared to vote in* Labour's deputy leadership election at a time when they were already determined to defect.

"All their talk of principle in politics can be seen for the hypocrisy that it really is."

Meanwhile Mr George Robertson, Secretary of the right-wing Manifesto Group of Labour MPs, said last night he "categorically denied" a claim in the left-wing Tribune newspaper that members of his group might be asked to take a "loyalty oath" to the Labour Party.

Mr Robertson, MP for Hamilton, said the group was "doing its best" for its members to stay within the party and "fight the fight which appears now to have a very good chance of success within the Labour Party" against the left.

Foot-stamping condemned

By Ivor Owen

AN OUTBURST of slow hand-clapping and foot-stamping during a debate on the party's constitution was roundly condemned by Mr William Rodgers, one of its founder members.

The demonstration was directed at a member who *went uncalled to the rostrum* and tried to raise a point of order.

Mr Rodgers told those responsible: "This is quite disgraceful. I hope that you won't behave like that again."

Amid cheers, Mr Rodgers insisted that the SDP should not become like other parties where speakers were silenced by slow hand-clapping and other disorderly outbursts.

Hugh Routledge

Mr Bob Mitchell, one of the SDP's newest recruits, introduces himself to party members, Mr William Rodgers and Mrs Shirley Williams look on

12 nominees for Croydon

NOMINATIONS for the crucial *Croydon North West* by-election closed yesterday.

Twelve candidates are lined up to fight the seat on October 22. But all eyes will be on the battle between Conservative, Labour and the Liberal-SDP alliance.

Anything less than a win will be a severe blow to the morale of these parties' supporters.

The constituency would normally be regarded as a safe Tory seat—it was held at the *last three general elections by* Tory MP Mr Robert Taylor, who died earlier this year. But 3m unemployed and the new challenge of the Liberal-SDP alliance could change all that.

Local Liberal Mr William Pitt is determined to show Liberals can hold their own in the alliance with the SDP.

Defeat for the Liberal-SDP candidate would be a severe setback for the alliance

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until they are priced over the weekend.

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JOIN THE SWINDON ENTERPRISE

Education issue may beat Shirley Williams

Ian Hamiton Fazey reports on Crosby

JOHN HARRISON, citizen and merchant tailor of London, founded the most famous of Crosby's three public schools in 1620, to honour his father who had been born there.

In doing so, he may well have sowed the seeds of political defeat for Mrs Shirley Williams, who opposes private education 361 years later.

In Harrison's day, Crosby was a windswept, sparsely populated place. Its farmland was liable to flooding by the River Alt, where the current subjected the shifting dunes to constant erosion. His Merchant Tailors' School was to prove a focal point for the community's development.

Now Crosby is home for 53,000 people. A sea wall protects the new land and, at its most desirable end where on a clear day you can see to Anglesey, Burbo Bank Road has been informally renamed Sunset Strip and house prices run to more than £80,000.

Crosby's 40,000 electors make up 53 per cent of the 75,000 in the parliamentary constituency. Of the rest, 24 per cent live in Formby, a mushrooming middle-class township seven miles down the commuter railway line from Liverpool, and another 22 per cent live in Maghull, a similar distance to the east on the road between Liverpool and Preston.

For Sir Graham Page, who died last week, Crosby was as safe as any of the Sunset Strip houses. He held the seat for the Conservatives for 28 years and in 1979 took 56.9 per cent of the votes to win a 19,272 majority. Boundary changes were due to make the seat even safer for him next time round.

Can Mrs Williams win? Much may depend on the Liverpool Liberal party machine. Mrs Williams was last night due to meet the machine's maker, Sir Trevor Jones, alias Jones the Vote and leader of Liverpool City Council.

He has already booked every available poster site in Crosby and suitable empty High Street shops in the town and at Formby and Maghull are being sought for headquarters. The Liberal machine, which could initially run with just a few people under tight control, would then flood the streets with thousands of helpers as the campaign developed.

The leaders of the Liberal and Social Democratic Parties are, however, likely to be charged a high price to secure

1979 RESULT		
Page, R. G. (Cons)	34,768	56.9%
Mulhearn, A. (Lab)	15,496	25.4%
Hill, A. (Lib)	9,302	15.2%
Hussey, P. (Ecology)	1,489	2.4%
Majority	19,272	
Electorate	81,208	
Turnout	75.2%	

its co-operation—the dumping of Liverpool Kirkdale MP, Mr James Dunn, who defected from Labour to the SDP last Wednesday.

Rank and file Liberal members on Merseyside have already written to both Mr David Steel and Mr Roy Jenkins saying Mr Dunn is unacceptable as a future Alliance candidate. They believe Mr Dunn's views have never been obviously social democratic and say he has defected because Marxist elements in the Labour Party were not going to reselect him to fight again.

That aside, there is considerable disquiet among some Liberal supporters about Mrs Williams' suitability as the Alliance's Crosby candidate. Mrs Williams pre-empted all discussion with her announcement to the SDP conference on Tuesday that she would stand if asked. Local supporters would have preferred her to take a secret tour of Crosby and assess the risks first.

Those risks revolve around *her stand against private* education which affected many Crosby people. This is because Crosby has three public schools: St Mary's College, founded as *a Roman Catholic boys' school* in 1919. Merchant Tailors' Girls' School which opened in 1888 in the original boys' building. And the boys' school which moved to new premises over the road.

Independence was forced on the schools following Mrs Williams' action as Education Secretary in the last Labour *Government when financial help* from the local authority in exchange for free places was stopped.

Many Liberals, who favour more choice in education not less, and who helped their candidate win 15 per cent of the vote last time, are embarrassed by her policies and record in office. Ironically, Mr Tony Hill, the local police prosecuting solicitor, whom they selected as candidate and who has now agreed to stand down, is a Merchant Tailors' old boy.

The schools are predominantly for day pupils serving the local area. Annual fees are £1,306 at the two Merchant Tailors' institutions and £1,008 at St Mary's. Total fee income—itself an indicator of Crosby's affluence—exceeds £3m a year.

In an area where it is difficult to find a floating voter, let *alone one who is not at least* related to someone who went to Merchant Tailors or St Mary's, the Conservatives are bound to make enormous capital out of the fact that Mrs Williams was the person responsible for making fees as high as they are. For the moment the Conservatives are keeping an official silence until after Sir Graham Page's funeral next Monday.

Like Labour, they have yet to select a candidate but are confident that Crosby will be as hopeless for Mrs Williams as it has been for Labour candidates in the past.

For Labour, already on a probable hiding to nothing, there is no illusion about who is the enemy. Mr Jim Hulligan, the constituency party secretary, said: "We shall not be just going through the motions. We are going to beat Shirley Williams on policy."

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Congratulations from Nissan Motor Co., Ltd.

Tale of Genji. By Tosa Mitsuyoshi. Two Album sheets, colour on paper.

Tale of Genji is a long novel written at the beginning of the 11th century by the talented Murasaki Shikibu, daughter of a Chinese scholar and, as an adult, tutor to Soshi, second consort to Emperor Ichijo.

The stage for the story focuses mainly on the court; the hero is Prince Hikaru Genji, the posthumous child of the most beloved consort of the Emperor, a man who, fearing the struggle to join the future imperial line, reduced his own rank, a gentleman of superior talents and accomplishments. A rough outline of the plot runs as follows: Hikaru Genji, seeking after the visage of his deceased mother, has affairs first with the women of the court of his father the Emperor, and then with many others until he finally finds a lover in Murasaki no Jo, and manages his own happy household. But when another later wife gives birth to an illicit child, Hikaru Genji, in a complete turn of events, abandons his family for Buddhism. The story then turns to the next generation. The child of sin, Kaoru, finally becomes an adult, and battles with a friend over a women whom he loses due to his own indecisiveness. The woman then plans to commit suicide by drowning herself, but fails and so instead becomes a Buddhist nun.

Murasaki Shikibu's psychological characterizations and her descriptions of court life and nature are very precise. Even today, this Japanese classic remains highly acclaimed and respected. *Also, as far as we know, the Tale of Genji has* been a popular theme for painting ever since the 12th century, with extant works available to verify this.

The paintings introduced here date from the very last years of Tosa Mitsuyoshi (1539-1613), a member of the Tosa school which preserved and transmitted traditional techniques of miniature painting. The accompanying text was written by famous members of the court of Emperor Goyozei. The combination of painting and calligraphy in this album seems to epitomize the essence of court culture at that time.

Selected here from among a total of fifty-four scenes are the "Utsusemi" and "Momijiga" sections. The former scene depicts Hikaru Genji peaking through a crack in the sliding doors at two court ladies enjoying a game of *go*. In order to give a bird's-eye view of the room, this scene uses a traditional device of removing the roof, along with employing decorative clouds and mist above and below the scene. Inside the room stands a screen with chrysanthemums and bush clover; *books and writing boxes are aligned on the makie shelf at* the back of the room. The second scene shows girls enjoying themselves by arranging their dolls for the annual Girls' Day festivities on the third day of the third month. Dolls can be seen inside the small model house set up in the room; a pear tree with blossoms that indicate spring appears in the garden.

THE GREAT JAPAN EXHIBITION

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(This exhibition will be closed from Dec. 21 to Dec. 27 inclusive.)

An exhibition, organised by the Royal Academy in partnership with the Japan Foundation, and sponsored by Midland Bank International in association with The Observer, Overseas Containers Limited, Pringle of Scotland, Shell Sekiyu and John Swire

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BL shop stewards to consider strike call

By Arthur Smith, Midlands Correspondent

BL CARS senior shop stewards meet in Coventry today to consider a call for a strike which the company has warned could be "fatal."

Union negotiators have recommended a strike by the 58,000 strong workforce from November 1 in protest at the company's 3.8 per cent pay offer. Some opposition to this recommendation is expected.

BL warnings that it cannot withstand any widespread or protracted industrial action are taken seriously by union leaders. There are bound to be misgivings about the dangers of a militant stance.

The 250 senior stewards are nevertheless expected to give backing for the strike, but throw a final decision to mass meetings at plant level.

The 2,000 workers at Rover cars, Solihull, Birmingham, who are scheduled to lose their jobs with the closure of the plant, have made it clear that they will ignore any strike call.

● Production of BL Cars' newest model, the Triumph Acclaim, which has been halted for eight days due to a strike at Cowley, Oxford, is unlikely to resume for at least another week.

Striking assembly workers at Cowley voted by 154-151 yesterday to continue their industrial action.

Stick to national pay pact, GEC told

BY OUR LABOUR CORRESPONDENT

MR TERRY DUFFY, president of the Amalgamated Union of Engineering Workers, yesterday warned the General Electric Company that its decision to leave the Engineering Employers' Federation would not absolve it from paying the national agreed minimum increase.

This increase has still to be agreed between the Confederation of Shipbuilding and Engineering Unions and the Federation. But the employers made it clear in talks earlier this weke that they would only be prepared to raise the offer of 3.16 per cent to around 4 per cent.

GEC's policy has been that it wishes to negotiate plant by plant, having regard to different company's profitability and local conditions. The company denied suggestions that it wiesbed to leave the federation because it did not intend to make any pay increase in its bargaining, the bulk of which starts next spring.

Mr Duffy said that he could not discount the possibility of industrial action over the federation's offer, but added that the unions were "not looking for a dispute." A further meeting is likely in two weeks' times.

GEC said yesterday that its companies had been leaving the federation since 1979, though the pace had recently been stepped up. Lord Weinstock, GEC's managing director, is opposed to his companies belonging to employers' organisations.

Companies employing about two-thirds of their 157,000 UK employees were still members of the federation, GEC said. The federation estimate that this represented 210 companies paying annual fees of £115,000, 6 per cent of its total income of £1.8m.

Mr Patrick Jenkin, the Industry Secretary, told senior officials of the CSEU earlier this week that the decisions by the Labour party and the TUC to withdraw from the European Community were causing uncertainty among overseas businessmen and investors.

The unions had expressed concern to Mr Jenkin over the lack of competitiveness in industry. Mr Jenkin told them that calls for subsidised energy would have little effect, because energy made up only between 3 per cent and 4 per cent of industry's costs.

Steel production cut threatened

BY OUR LABOUR CORRESPONDENT

THE BRITISH Steel Corporation has told unions on Teeside that it will cut steel production there if they do not accept manning reductions of 1,900.

The managing director of BSC's sections and special steels division, issued the warning to the joint steel unions in Middlesborough yesterday, after he was told they would not negotiate on the plan for reductions.

The unions have been instructed by their national executives to take no part in local level talks on productivity, following BSC's decisions not to hold national pay talks for the coming year.

Mr Ian McGregor, the BSC chairman, has told the unions that wage increases would noly be on the basis of "something for something."

The main steel union, the Iron and Steel Trades Confederation, has asked to see Mr McGregor over next year's wage increase, and to raise what the union claims is a breach of a promise to reduce the working week by one hour next year.

No meeting has yet been arranged, and is unlikely to be arranged for the next ten days while Mr McGregor is touring steel plants.

However, BSC said last night that there had been no promise to reduce the working week. An agreement in 1980 said there would be "constructive discussions" on a shorter week, if the corporation's economic situation allowed it. But the situation had not improved, the BSC said last night.

The Teesside unions, which represent 12,500 workers mainly at the Redcar/Lackenby iron and steelmaking plant, are to meet management again in a fortnight to raise the issue of excessive overtime being worked in the division.

Some union officials have interpreted yesterday's warning on the Teesside survival plan as meaning that the Redcar plant would close if no agreement were reached. But the BSC said last night the threat was only to cut the present annual capacity, of 2.9m tonnes of liquid steel.

North Sea oil 'charter' call

By Our Labour Staff

OIL UNIONS and sympathetic Labour MPs yesterday launched a "North Sea Oil Charter" which will be the basis for possible amendments to offshore legislation in the next session of Parliament.

A joint committee of 10 unions and four MPs which met in Aberdeen want health and safety responsibility transferred from Government departments to the Health and Safety Executive, automatic access to rigs and platforms for inspectors, and a review of helicopter safety.

They also want automatic recognition for unions on platforms where they have members, a work permit system to control the entry of foreign nationals, and more state and industry cash for training.

Moderates try to stop Scargill victory

By Our Labour Editor

LAST-MINUTE efforts are being made by moderates both within and outside the National Union of Mineworkers to prevent the militant Mr Arthur Scargill romping to victory in the contest for presidency of the union.

Mr Ray Chadburn, president of the Nottinghamshire miners, is once again under strong pressure to let his name go forward for the nominations that close on November 2. He has been approached not only by colleagues in the union, but by Labour politicians who believe only he can stop Mr Scargill.

It is being argued that because of the union's single trfansferable ballot vote system there is no danger of the moderate vote being split if Mr Chadburn were to run alongside Mr Trevor Bell, secretary of the union's white-collar section, and the official candidate of the right.

Mr Chadburn has already turned down the challenge once, to the dismay of his supporters, and the chances of him being persuaded back again look remote.

The pressure on Mr Chadburn to reconsider started when, in elections to the TUC general council last month, he polled nearly 1m votes more than Mr Scargill.

Gormley warns over opencast mining sale

BY CHRISTIAN TYLER, LABOUR EDITOR

RUMOURS THAT the Government wants to put the National Coal Board's profitable opencast mining operations in private hands provoked a warning from the National Union of Mineworkers yesterday.

The issue was raised by members of the union's national executive committee. Afterwards Mr Joe Gormley, NUM president, said he would be writing to Mr Nigel Lawson, Energy Secretary. "Our opinion is categorical," he added. "There will be a hell of a lot of bloody trouble if it happens or if they try to make it happen."

When he met Mr Lawson recently, Mr Gormley said the Minister did not confirm nor deny the rumours. The NUM would view a transfer of ownership as stupid, politically motivated and purely ideological.

Last night the Department of Energy said there were no imminent plans to sell opencast mining. Any decision to do so would have to be studied carefully. It appears that the Government is thinking about such a transfer, but has not drawn up proposals.

Miners' suspicions were raised by a reply to northern MPs from Mr John Moore, Minister responsible for the coal industry. Mr Moore's letter said the Government thought of opencast mining "as more akin to quarrying, a privately-owned industry, than to deep mining."

Mr Moore said that the Government's general policy was to return to the private sector operations that were better carried out there than by the public sector.

Printers in merger move

LEADERS of the National Union of Journalists and the printing union, the National Graphical Association, have taken the first step towards a merger.

This takes the form of a letter of association pledging mutual financial and industrial support in official disputes and a common policy on job maintenance when new technology is introduced.

Mr Ken Ashton, NUJ general secretary, said the contents showed the sincerity of the two unions and would signpost their joint path while merger talks continue. These have been going on since April between the NGA, with its 116,000 members and the NUJ, which has 31,000 members.

The NGA is merging with the 22,000-strong Society of Lithographic Artists, Designers, Engravers and Process Workers (Slade).

Next week the fourth two-day meeting between NUJ and NGA negotiators will be held. But it is likely to be at least year—if the complex negotiations continue—before a package is ready to put before delegate

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If you would like to meet Mr. Somers please contact: Susan Hunter or Alison Rouse on 01-584 2863.

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TECHNOLOGY

EDITED BY ALAN CANE

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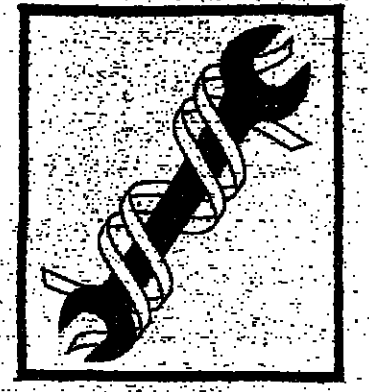
Celltech applies British genius to British genes

In the first of a weekly series examining the companies specialising in bio-technology, **David Fishlock** looks at the new British government-backed company, Celltech, and its first corporate plan.



CELLTECH IS a bio-technology company, devoted to research and development right at the frontiers of the technology. Its job is to try to exploit profitably—and internationally—work of the kind which has won British scientists Nobel Prizes and election as Fellows of the Royal Society.

Celltech was born 11 months ago, in a political climate hostile to the idea of new state-funded ventures, no matter how passionately its science advisers pleaded their case. It was born because private enterprise found more than half the £12m.

It was born in Belgravia, at the headquarters of the National Enterprise Board, where Gerry Fairtlough and a couple of aides put together their "blue book" outlining how Britain might compete with such well-publicised U.S. bio-technology ventures of the late 1970s as Cetus, Genentech and Genex.

On the basis of this prospectus—not the final corporate plan, emphasises Fairtlough, though he thinks it was a better plan than most companies proffer at this stage—four private backers put up more than half the £12m. His "angels" were British and Commonwealth Shipping, the Pru, Midland Bank, and TDC, part of the Finance for Industry group.

Confronted with what manifestly was a display of considerable entrepreneurial initiative on the part of the NEB, Sir Keith Joseph, then Secretary for Industry, agreed that the NEB should become the fifth and biggest shareholder, 44 per cent, with the private sector holding 14 per cent apiece.

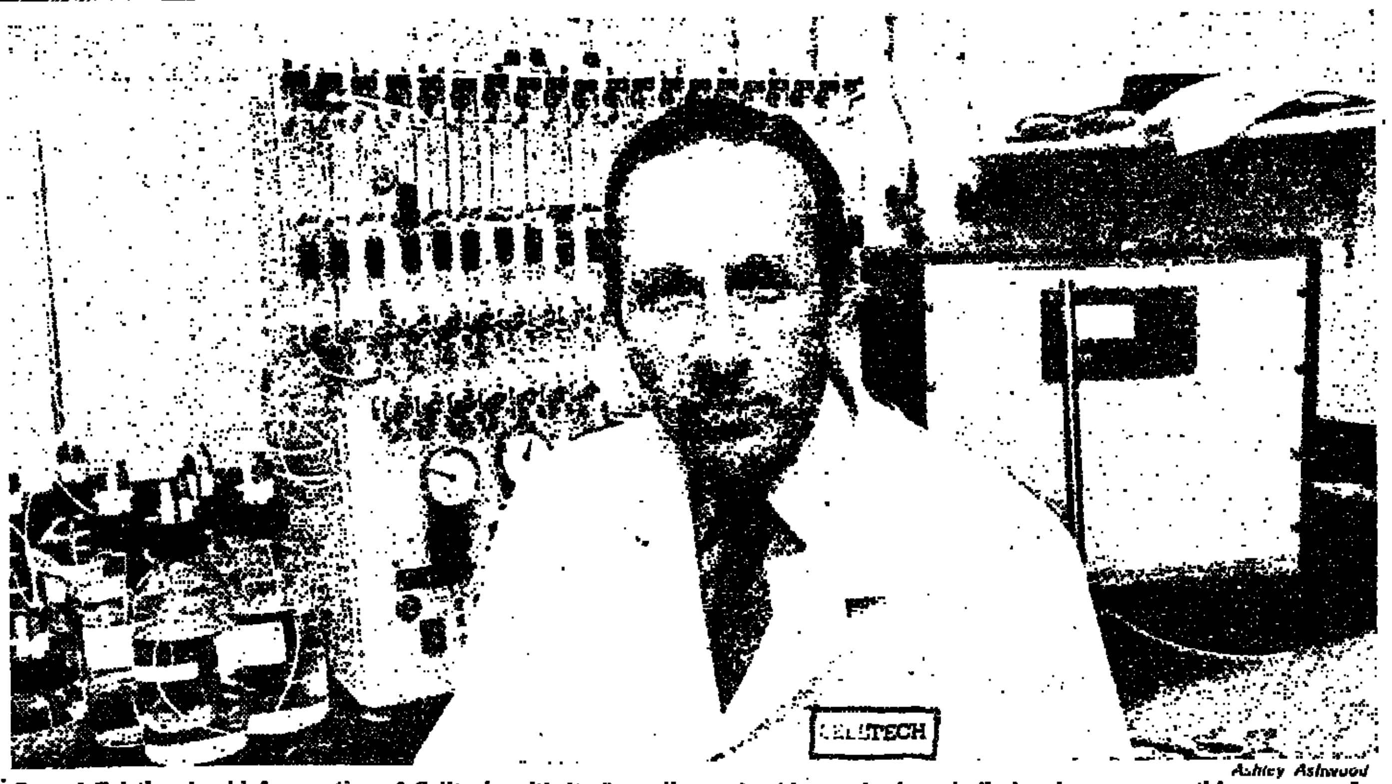
Celltech's first corporate plan was approved by the five shareholders this summer. It sets out the four broad areas of business the company is seeking, pinpoints some immediate targets, and relates all this to financial and manpower planning.

It envisages four roughly *equal sectors of business.*

● Contract research: defined by Lord Rothschild a decade ago in these terms: "The customer says what he wants; the contractor does it (if he can); and the customer pays." Celltech is seeking substantial research contracts—from companies which think that a microbe might solve their particular problem, or lead to a new product.

To avoid the distractions of "jobbing" research, Fairtlough makes it plain that he is looking for contracts worth about £250,000 upwards. He has already signed his first contract; and begun work on others, not yet formally signed up. His targets are big research-based companies which recognise that he is building a specific and scarce kind of expertise which they can hire without long-term commitment to people or premises.

Fairtlough admits that his original concept of Celltech was that its contract research function would wither once the company got going with new products. But after touring the big research spenders in the U.S. and Britain with his director of research, Dr. Norman Cary, earlier this year, it dawned that the kind of team he was building could have a big future in contract research.



Ashley Ashwood

Gerard Fairtlough, chief executive of Celltech, with its first oligonucleotide synthesiser, built by the company this summer. It allows the researchers to make gentic material to their own specification

● Licencing: the transfer of technology in the form of sale*able packages, of a kind that* appeals to pharmaceutical companies looking for new products, for example. The income would come from royalties on sales of the product.

A saleable package of technology must include a description of the product, and the process to make it, protected by Celltech patents. It must also indicate some applications, offer "know-how" on its manufacture and use; and give some idea of its toxicity and formulation, believes Fairtlough.

In short, Celltech must be prepared to invest a considerable amount of R and D in putting together a package that might attract a big client. It could easily cost £250,000-500,000 per package and there would be no revenue until the customer was selling the *product.*

● Products: Celltech also plans to market products itself. Its first is anti-interferon, already being made in the company's laboratories in Slough.

Anti-interferon is an agent which can be used to separate traces of interferon from a "soup" of living cells. Researchers at the University of Warwick have shown how anti-interferon can be built into a filter capable of enriching the levels of interferon in the original soup about 5,000-fold.

"Nobody else so far as we know is marketing an antibody to interferon commercially," Fairtlough claims. "And I have the feeling it's a particularly good one." It is already selling in the U.S. at "several hundred pounds per gram."

Anti-interferon is the first of *a family of high-value products* Celltech hopes will be based on research being funded by the Medical Research Council, for example at its Laboratory of Molecular Biology in Cambridge, and at Warwick University. Collectively they are known as the monoclonal antibodies, the discovery of a Cambridge immunologist, Dr Cesar Milstein, now one of five FRSs on Celltech's star-studded council of science advisers.

These complex proteins are made at present by using mice as mini-reactors, in which living cells are arranged to fuse together into "hybridomas." These hybridomas, source of the desired protein, reproduce themselves like microbes in a fermenter. One research objective is to scale the operation up by using man-made reactors.

The secret of commercial success will probably lie in devising simple diagnostic kits, similar to those pioneered by Amersham International for the sale of small packages of radio-activity. Such kits would be used to help diagnose, trace and treat such diseases as cancers.

● New businesses—specific new commercial ventures or joint ventures by Celltech, distanced from the parent company so that Celltech retains its identity as a small, high-technology activity. It opens the opportunity to build up the company quickly without disturbing the bedrock of R and D. But the new ventures could all be expected to have a close and continuing interest in the R and D base.

Gerry Fairtlough hints that the first of these new ventures—in immunology—may be set up early next year.

The research base of Celltech is being built by Dr Cary, in laboratories vacated last year by a U.S. drug company. It has two main strands: cell hybridisation, basis of the monoclonal antibodies; and recombinant DNA, in which the genes of a microbe are modified to make the desired chemical.

The corporate plan calls for a total staff of about 150 by midsummer 1983, with perhaps 40 engaged in recombinant DNA and 50-60 on cell hybridisation.

Now, Celltech must venture into some associated areas of advanced technology. One is the development of computer-controlled machines for automatically synthesising a specific gene. This technology could prove vital in getting commercially useful yields from microbes made by genetic engineering. Another development area is the scaling-up of fermentations, and associated problems.

Gerry Fairtlough rejects — "absolutely wrong" — any suggestion that Celltech is too late. Of the dozens of companies which have sprung up in the last few years to exploit the new techniques of bio-technology, he claims no more than two or three are ahead of Celltech in recombinant DNA research, and no more than two in cell hybridisation.

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Japanese learn the power of catalysis

TECHNOLOGISTS and marketing men from one of the UK's bigger chemical companies have been in Tokyo this week giving Japanese industrialists a taste of technology in which the West still has the edge.

That technology is chemical catalysis, the science (some would say art) of using a substance to speed the progress of a chemical reaction.

The company is Johnson Matthey Chemicals, part of the diversified Johnson Matthey group; the technology it has been demonstrating to the Japanese covers many of the developments it has pioneered over the past decade.

The list included:

● An internal combustion engine fired by catalysts rather than sparking plugs or high compression.

● A catalytic system which cleans pollution from the exhausts of cars running on leaded petrol while remaining free from lead poisoning.

● New ways of making agro-chemicals, pharmaceuticals and synthetic dyes.

Not state-of-the-art stuff by Western standards but clearly fascinating to the Japanese who crowded the three days of seminars.

Mr Robert Searles, sales director for Johnson Matthey Chemicals, said: "It was a jump in the dark. We had no idea the seminar would arouse so much interest."

Needless to say, JMC's interest in giving the Japanese a sight of Western catalystic technology is not entirely philanthropical; it is interested *in increasing* its sales of platinum based catalysts to Japan. Sales there have already grown some three times over the past two to three years.

The thrust of the JMC presentations illustrated its concern with the conservation of energy and the need to move away from petroleum feed-stocks, and the threat of industrial and automotive pollution.

The most spectacular example is the "catalytic engine," an internal combustion engine which is fired by catalysts suspended in the com*bustion chamber* rather than the conventional spark plug in petrol engines or high compression in diesels.

Built in collaboration with Ricardo Consulting Engineers, its single cylinder prototype demonstrates that the concept *works and produces* an engine with low emission levels, fuel economy equivalent to a conventional diesel engine, the ability to operate over a wide range of fuel grades and no significant cost penalty over today's engines.

But *JMC is a chemicals* company, not a motor manufacturer, so the idea has been shelved until a suitable sponsor for the project is found.

Its more conventional work on control of vehicle emissions won it the MacRobert Award in 1980; its three-way catalyst concept is now a standard for automobile manufacturers.

It uses platinum catalyst gingered up with rhodium, electronic fuel injection and oxygen sensing equipment. In the U.S., where lead additives in petrol are banned, the system works well; in Europe where lead is still added to petrol, the catalyst was quickly poisoned by the additive.

Over the past three years, JMC has developed a lead-tolerant catalyst with the support of the Department of Industry, British Leyland and AERE Harwell.

ALAN CANE

Storacall gives the answers on answering devices

ACCORDING TO Storacall of Twickenham (01-891 3321), the lifting of the "rental only" policy by British Telecom, allowing people to buy them outright, "has flooded the market with telephone answering machines from all over the world and with new companies trying to market them."

Among other comments about these machines Storacall says that "some are of excellent quality and some are not. Some of the new machines are here to stay, some are not. Some of the machines you can use legally, some you cannot."

Girding up its loins for the defensive posture it will certainly have to adopt as "liberalisation" of all telecommunications products comes in next year, Storacall has produced a six page pamphlet which it says "will cut out the confusion about telephone answering machines."

Mechanised lock operated by plastic card

AN ENTIRELY mechanical lock, operated by a simple plastic card—the size of a credit card—instead of by a key, has been developed with the aid of the Israel Institute of Innovation (27, Rothschild Blvd., Tel Aviv 61308).

The changing of the combination of the lock on the plastic card and the punching of new cards can be carried out by the owner himself.

The system is applicable in three areas: 1—A multiple bolt domestic lock developed in accordance with U.S. standards (it can also work with a single bolt only). 2—A padlock, and 3—A car lock which locks the steering wheel to a pedal. All the locks have at least 1m different combinations but nevertheless have fewer moving parts compared with existing locks

Switch from Probus cuts energy bills

AN electronic switch enabling the same lamp to use 20, 60, or the full electricity supply has been developed in Sweden by Probus Invest. Under the name Fiber Switch, the integrated circuit is installed close to the appliance. Instead of a *mechanical switch a metal foil* is used as a touch control.

The consumer pays only for the amount of electricity used for each individual purpose. For more details Probus Invest is at S. Tullgatn 4A S-211 40, Malmo (46 040 75645 or Telex 32 606).

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THE PROPERTY MARKET

BY ANDREW TAYLOR

Basildon deal for Norwich Union

NORWICH UNION continues to maintain its reputation as one of the country's leading town centre developers. This week the insurance group announced its biggest-ever property deal, with plans to build a £50m covered shopping complex in Basildon.

The scheme will provide more than 600,000 sq ft of new retail and office space for the fast-growing Essex new town. Plans include a new 200,000-sq-ft department store to be occupied by Allders, part of the UDS stores group.

The development, on two levels, will also include 75 smaller-shop units plus a 30,000-sq-ft fashion store. C & A has been among a number of prospective tenants to show interest in the 30,000-sq-ft unit.

In addition, the scheme will include two office blocks providing a total of 121,000 sq ft of new office space. Car parking for 1,000 extra vehicles will also be provided as part of the development.

It is the most ambitious development programme yet undertaken by Norwich Union which in the past few years has become one of the most active developers in the UK. Among major schemes currently under way is a £35m town centre redevelopment in Bexleyheath in south-east London.

Norwich Union currently has a development programme of around £300m to be phased over the next three or four years, including the Basildon scheme.

Plans to develop a new shopping centre in Basildon were first raised more than 10 years ago: but initial talks involving Norwich Union and the new town development corporation were subsequently overtaken by the 1974/75 property collapse.

When development plans were raised again, Norwich Union had lost its place in the queue as preferred developer and had to withstand competition from several major investment institutions before the development corporation decided to adopt its original choice of developer for the town centre scheme.

This will link the existing open-air shopping complex in Town Square—one of the first pedestrian-only shopping centres in Britain—with a 163,000 sq ft SavaCentre store at the south eastern end of the town centre which has been trading very successfully since it opened around two years ago.

In addition to the new shopping complex, the development corporation is also proposing to upgrade and roof over the existing Town Square shopping area where some retailers are concerned about loss of trade as a result of the new development.

Liverpool Street move

ROSEHAUGH Greycoat Estates, the joint development company established to carry out a 500,000 sq ft office and retail development next door to London's Liverpool Street station, has won outline planning permission for its scheme which could eventually cost up to £75m.

The Labour-controlled Hackney Borough Council has given the scheme its blessing but the attitude of the Greater London Council, which has set its face against new office development in this part of London, must be more questionable.

The developers, however, believe that they have cleared a major hurdle in winning outline planning permission from Hackney. This decision had the prior support of the former Conservative-controlled GLC, which was thrown out of office as a result of local authority elections in May.

The developers believe that planning procedures do not allow the GLC two bites at the cherry and that the existing consent must stand. And the developers say that detailed planning consideration is a matter for the borough council only.

Greycoat Estates, which controls just over 33 per cent of Rosehaugh Greycoat, would certainly not relish any further conflict with the GLC.

Development plans for the 2½-acre site to the east of Liverpool Street station, bordered by Sun Street, Wilson Street and Finsbury—Avenue, were first announced by Greycoat and Rosehaugh at the beginning of this year. The scheme provides for just over 500,000 sq ft gross of office accommodation. Building work on a first phase of 295,000 sq ft of offices is planned to start next year.

In addition the scheme also provides for six shops, two public houses, leisure facilities and a new London square. Rosehaugh holds around 40 per cent of the joint development company.

Rosehaugh, headed by the former tax specialist Mr Godfrey Bradman, has assembled the land to the west of Finsbury Avenue. Development is complicated by the fact that the joint company still controls only 70 per cent of the land needed for the whole scheme. This, however, is not an obstacle to the first phase.

Most of the area is occupied by a mix of warehousing, residential, office and shop property, some of it vacant and most of it in a poor condition. In the majority of cases Greycoat does not envisage any problem in buying-in the remaining sites for the scheme. Moreover, Hackney has said that it will use its compulsory purchase power if necessary.

Former Goodyear site back on the market

THE FUTURE for the former Goodyear tyre plant at Garscadden, Glasgow, still has to be resolved. Goodyear has put the site back on the market after an option to Faviar Property Company lapsed, following a failure to agree satisfactory planning agreements.

The developers eventually won planning permission for around 115,000 sq ft of retail space but this was conditional on a similar amount of industrial space being built first. Also the retail development could not proceed until the industrial space was let.

With the Clydebank Enterprise Zone offering industrialists and developers a wide range of incentives just a mile away from the Goodyear site, the prospects for a successful industrial development must remain questionable.

Nevertheless, joint agents James Barr and Son and Edwards, Bigwood and Bewlay say that there has been good interest in the site, which is on the market at around £2.5m. Prospective purchasers are thought to have included one or two private housebuilders.

Office revolution debate rolls on

MR CLIVE JENKINS, token heretic at the Savills commercial property conference in London this week, combined conviction with stagecraft as he attacked his audience, among other targets.

Sample salvoes included:

- On the technological revolution: "the successful firm in the future will be able to move into smaller premises."
- On London offices: "in the next three years we can expect to see up to 350,000 jobs taken out of the centre."
- And, on property investment: "don't go into office development as you have done in the past."

Mr Jenkins, the general secretary of the Association of Scientific, Technical and Managerial Staffs, said that money should not be going into property, but into "the shabby, run-down, inefficient UK infrastructure."

Sir Kenneth Berrill, chairman of London stockbrokers Vickers da Costa (but in this case speaking as deputy chairman of the Universities' Superannuation Scheme), showed some sympathy with Mr Jenkins's concerns; his conclusions, however, were another matter.

"The major technological revolution," said Sir Kenneth, "is an office revolution." But on office population, he maintained that more data would mean more use of the facts and more potential transactions.

In the meantime, Universities' is a very fast growing, and very young fund, with an annual net cash inflow of about £150m. It is going for a ratio of 30 per cent of its portfolio in property, but it is not quite there yet—which means that it is putting about £60m a year into property at the moment.

"We cannot take too much low-yielding property," says Sir Kenneth. "An actuary values your fund every three years; he will start with current growth rates." If the sums came out too low the actuary could demand more input from a given fund's contributors.

Universities' believes in operating within the rules. Its shopholdings are apparently below average and it reckons that potential performance on industrial / warehouse / science park investments is better in any case.

Sir Kenneth also has a word of warning for investors who ignore the short term. "In a sense you look 40 years ahead," he observes, "but if interest rates are extremely high, the discounting factor is so large that the growth you are promised in 15 years does not mean anything."

William Cochrane

Green belt offices turned down

A DECISION to reject plans for an office development of up to 70,000 sq ft on a greenfield location in Sevenoaks, Kent, may provide a guide to the Government's possible future attitude towards developers seeking to build on "green belt" sites along or near to the proposed route for the M25 motorway.

Mr Michael Heseltine, Environment Secretary, fully supported the recommendation of a public inquiry to reject an application by Sevenoaks District Council to build offices for its own use on a greenfield site within a mile or so from the M25 route.

The inspector's report criticised the district council for "being seriously misdirected" in deciding to develop "within a vulnerable part of the Green Belt."

Mr Rex Mercer of Drivers Jonas, estate agents and chartered surveyors said: "So far, the Secretary of State has expressed a strong commitment to the Green Belt, but what has happened here is particularly important at it reinforces that commitment with an actual planning decision."

Drivers Jonas represented Sevenoaks Town Council in opposing the scheme by the District Council.

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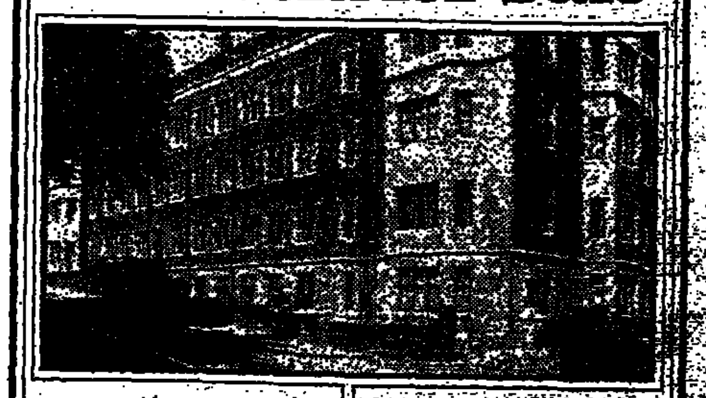

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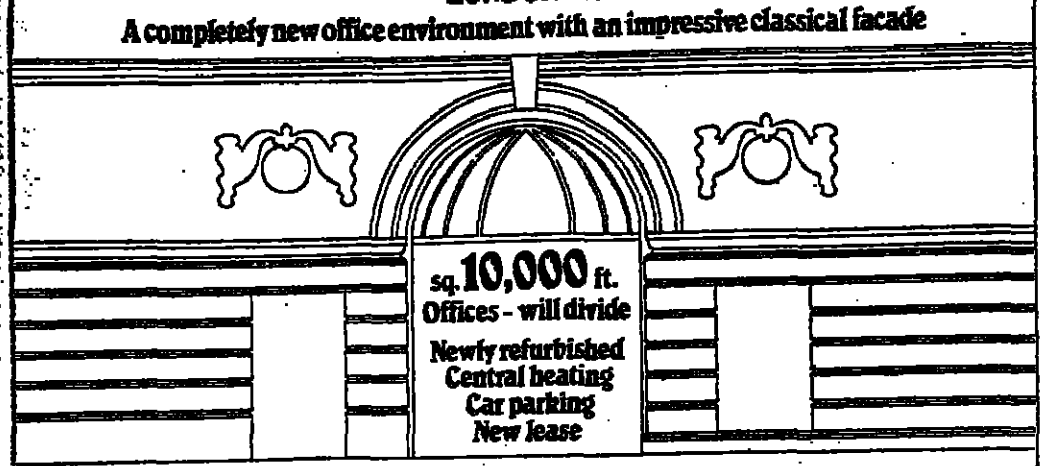

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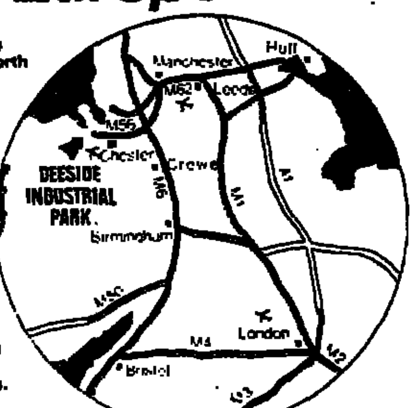

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TELEVISION

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.30 pm News After Noon. 12.57 Regional News for England (except London); London and South-East only: Financial Report, News Headlines. 1.00 Pebble Mill at One. 1.45 The Plumps. 2.02 For Schools, Colleges. 3.00 Golf: The Suntory World Match Play Championship. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Mighty Mouse. 4.25 Jackanory. 4.40 Heyyy, It's the King. 4.55 Crackerjack. 5.35 Willo the Wisp.

5.40 News.

6.00 Nationwide (London and South-East only).

6.22 Nationwide.

6.45 Sportswide.

7.00 It's a Knockout.

8.15 Rosie.

8.45 Points of View.

9.00 News.

9.25 Horse of the Year Show.

10.45 Face the Music (London and South-East only).

11.15 News Headlines.

11.20 The Late Film: "The Magnificent Seven Deadly Sins."

BBC 1 VARIATIONS: Cymru/Wales—12.57-1.00 pm News of Wales. 1.45-2.00 Bys A Bawd. 2.35-2.55 I Ysgolion; Hwnt Ac Yma. 4.55 Screen Test. 5.20-5.40 Gari Gyilfu. 6.00-6.22 Wales Today. 7.00 Heddiw. 7.15 Deigryn Yn Y Llwch. 7.45-8.15 Grace Kennedy. 10.45 Western Welsh. 11.15-11.20 News for Wales, National News.

Chris Dunkley: Tonight's Choice

Some of this week's best television programmes are on at London's National Film Theatre which is in the middle of a unique season of plays by the late David Mercer, one of Britain's most talented television writers. Tonight the NFT shows two BBC productions from 1968, the end of the golden age of the single television play: Let's Murder Vivaldi with Denholm Elliott, Glenda Jackson and Gwen Watford, and On The Eve Of Publication with Leo McKern, Michele Dotrice and Thorley Walters.

The most important new programme actually on television is BBC 2's Prisoners Of Conscience which combines dramatised reconstruction and an interview with the man himself to tell the story of Russian dissident Vladimir Bukovsky. Michael Williams portrays him during his persecution by the Soviet authorities which began in 1961, included a 12-year sentence for talking to the Western Press in 1972, and ended with his expulsion in 1976. John Morgan interviews him.

The most tempting old programme is Not Another Not The Nine O'clock News which is indeed nothing fresh but, as BBC 2 calmly announces, "bits of the best of the last three series shoved together in a different order." This is their fourth exposure but there is a genuinely new batch coming in the New Year.

BBC 2

6.40-7.55 am Open University.

11.00 Play School.

11.25 Golf: Suntory World Match Play Championship.

2.15 pm Racing from Ascot.

4.20 Golf.

4.50 Open University.

6.53 Something Else.

7.40 News Summary.

7.45 Gardeners' World.

8.10 Neighbours.

9.00 Not Another Not The Nine O'clock News.

9.25 Prisoners of Conscience.

10.15 Revolting Women.

10.45 Newsnight.

11.30 Golf highlights.

LONDON

9.35 am Schools Programmes. 12.00 The Learning Tree. 12.10 pm Once Upon a Time. 12.30 Women Rule OK. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Taff Acre. 2.00 Houseparty. 2.25 Friday Matinee: Susan Bigelow and Charles Siebert in "Wild And Woolly." 4.15 Little Red Rodent Hood. 4.20 Storybook International. 4.45 Ad Lib. 5.15 White Light.

5.45 News.

6.00 Thames News with Andrew Gardner and Rita Carter.

6.30 Thames Sport: Derek Thompson and Susan King join with Allan Taylor and Simon Reed to reflect the capital's sporting scene.

7.00 The Amazing Spiderman.

8.00 Play Your Cards Right with Bruce Forsyth.

8.30 Kinvig.

9.00 Strangers.

10.00 News.

10.30 Soap.

11.00 Starting Out: an inquiry into London's schools.

12.00 Pasadena Roof Orchestra.

12.35 am Close: Personal Choice with Rabbi Julia Neuberger.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 2.25 Friday Film Matinee: "Three Hats For Lisa." 5.15 Bygones. 6.00 About Anglia. 10.30 Side By Side By Swinfield. 11.00 Anglia Late News. 11.05 Members Only. 11.35 Friday Late Film: "Hagen." 1.10 am Modern Missionaries.

ATV

1.20 pm ATV News. 2.25 The Bob Hope Matinee: "Fancy Pants." 5.15 Diff'rent Strokes. 6.00 ATV Today. 8.30 WKRP in Cincinnati. 10.30 Kinvig. 11.00 ATV News. 11.05 Thriller.

BORDER

1.20 pm Border News. 2.25 Matinee: "The Crash Of Flight 401." 5.15 Bygones. 6.00 Lookaround Friday. 8.30 That's Hollywood. 10.30 Wintersport. 11.00 Soap. 11.30 Border News Summary.

GRAMPIAN

9.30 am First Thing. 1.20 pm North News. 12.25 Feature Film: "Hell Drivers," starring Stanley Baker, Peggy Cummins and Patrick McGoohan. 5.15 Happy Days. 6.00 North Tonight, including Sports Desk. 10.30 Feature Film: "Forbidden To Know." 12.20 am North Headlines, Road Report.

GRANADA

11.50 am The Bubblies. 1.20 pm Granada Reports. 2.25 "Connecting Rooms," starring Bette Davis and Michael Redgrave. 5.15 Kinvig. 6.00 Granada Reports. 6.30 Sick Oh. 8.30 Bless Me Father. 10.30 Union World. 11.00 Soap. 11.30 Tenspeed and Brown Shoe.

HTV

1.20 pm HTV News. 2.25 "2000 Women," starring Phyllis Calvert and Flora Robson. 5.15 Bless Me, Father. 6.00 Report West. 6.30 Laverne and Shirley. 10.28 HTV News. 10.30 Report Extra. 11.00 The Late Film: "You Can't Have Everything."

HTV Cymru/Wales—As HTV West except: 10.48-11.03 am Y Byd A'i Bethau. 11.34-11.49 About Wales 12.00-12.10 pm Flalabalam. 1.30-2.00 Undermanning. 4.15-4.45 Angylion Llwyd Y Dyfroedd. 6.00 Y Dydd. 6.15 Report Wales 6.30-7.00 Taff Acre. 10.30-11.00 Outlook.

1.20 pm News and Road and Weather. 2.25 Friday Matinee: "The Blue Lagoon," starring Jean Simmons and Donald Houston. 5.15 Emmerdale Farm. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 Hero Hear. 8.00 Kinvig. 8.30 Roots. 10.30 Late Call. 10.35 That's Hollywood. 11.05 Friday Night Thriller.

SOUTHERN

1.20 pm Southern News. 2.25 "Botany Bay," starring Alan Ladd. 5.15 Here's Boomer. 6.00 Day By Day. 6.10 Scene South-East (South-East Area only). 6.30 Out of Town. 8.00 Kinvig. 8.30 Roots. 10.35 Wheels. 11.05 "Call Harry Crown," starring Richard Harris.

SCOTTISH

Roots. 8.30 Kinvig. 10.30 North-East News. 10.32 Thriller: "Death In Small Doses." 12.00 Paris By Night. 12.30 am Poet's Corner.

ULSTER

1.20 pm Lunchtime. †2.25 Friday Film Matinee: "Holiday Camp," starring Flora Robson, Dennis Price and Jack Warner. 4.13 Ulster News. 5.15 Survival. 6.00 Good Evening Ulster. 8.00 Roots. 8.30 Kinvig. 10.29 Ulster Weather. 10.30 Witness. 10.35 Lou Grant. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Friday Matinee: "Bedtime Story," starring David Niven. 5.15 Mork and Mindy. 6.00 Westward Diary. 10.32 Westward Late News. †11.05 Friday Late Night Movie: "The Brave Don't Cry." 12.40 am Faith For Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. †2.25 Friday Film Matinee: "Holiday Camp," starring Flora Robson, Jack Warner and Dennis Price. 5.15 Here's Boomer. 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Sport. 8.00 Roots. 8.30 Kinvig. 11.00 The Friday Night Film: "Fraulein Doktor."

RADIO

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.45 Roundtable. 7.00 Andy Peebles. 10.00-12.00 The Friday Rock Show (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.02 pm Sports Desk. 12.05 John Dunn (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 David Symonds with Much More Music (S). 8.00 Terry Wogan's Table Talk (S). 8.45 Friday Night is Music Night (S). 10.00 Doddy's Different Show with Ken Dodd. 10.30 The Bing Crosby Show. 11.02 Sports Desk. 11.05 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 2's Company (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Saint-Saens (S). 10.00 20th-century Harp Music (S). 10.30 Alberni String Quartet (S). 12.00 Berlin Philharmonic Orchestra (S). 1.00 pm News. 1.05 The Last of the Troubadours (S). 2.10 Beethoven piano recital (S). 3.00 Northern Sinfonia Orchestra (S). 4.00 Choral Evensong (S). 4.55 News. 5.00 Mainly For Pleasure (S). 6.55 Play It Again (S). 7.00 "Otello," opera in four acts by Verdi: English National Opera production from the London Coliseum, Act 1. 7.35 Interval Reading. 7.45 "Otello," Act 2. 8.20 Interval Reading. 8.35 "Otello," Act 3. 9.15 Interval Reading. 9.25 "Otello," Act 4. 10.10 Beethoven chamber music (S). 10.45 The Secret of the Old Music. 11.00 News. 11.05-11.15 Alessandro Scarlatti (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.35 Yesterday in Parliament. 8.45 Wodehouse: "Bring On The Girls." 9.00 News. 9.05 Desert Island Discs. 9.45 A Sideways Look at... 10.00 News. 10.02 International Assignment. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 *The Lost City. 11.50 Natural Selection.* 12.00 News. 12.02 pm You and Yours. 12.27 The Year in Question. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.05 Poetry Please! (S). 4.15 The Coroner's Jury—on Inquest. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News, including Financial Report. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America by Alistair Cooke. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 The Archive Auction. 11.45 Late Music. 12.00 News.

Sponsorship for nature

BY ANTHONY MORETON

TWO WEEKS ago in the unusual but highly appropriate setting of an exposed piece of Dorset heathland an event took *place that could stimulate* industry to take a broader view of its attitude towards sponsorship.

The occasion was the handing over by the Rank Organisation of a plot of land to the Nature Conservancy Council (NCC).

For the council it was a first: the first time it had been sponsored by industry. It was probably also the first time that a company had put any money into conservation.

Industry has not been slow to back either artistic or sporting events and the list of those involved is like a roll-call of some of the country's best-known names. Among them are Midland Bank, Benson and Hedges, John Player, Cornhill Insurance, IBM, Barclays Bank, Du Maurier, William Hill, Commercial Union and the Pru.

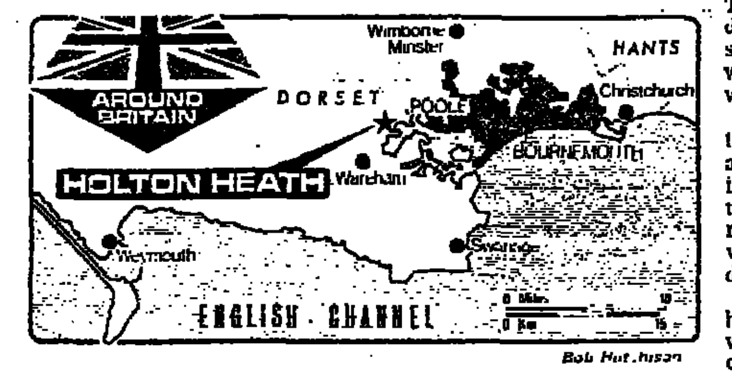
Many sporting events as well as a host of artistic performances ranging from Covent Garden to youth theatre groups would now be hard pressed without such patronage.

But it would appear that the Rank link with the Nature Conservancy Council is unique. Shell UK, for one, has put money into the restoration of inner-city areas—a field in which American companies are active—but there appears to have been no link between industry and areas of rural conservation.

The 290 acres that Rank has assigned to the NCC at Holton Heath on a 999-year lease therefore breaks new ground. And it is being done in a low-key fashion.

There is a plaque inside the front gate of the area to commemorate the company's gesture but little else to show that this is an important piece of patronage.

It is the hope of the NCC—and of similar bodies watching in the wings—that Rank's lead may be followed by others. But for that to happen there has to be a commitment within the company and, in Rank's case, this came from Mr Trefor Thomas, one of its senior executives.



Bob Hutchinson

Rank acquired Holton Heath by accident. In 1971 it bought City Wall Properties as part of its policy of diversifying into property.

City Wall—now Rank City Wall—had a plot of land in Dorset outside Poole which it had bought from the Ministry of Defence. The site had, since before World War I, housed a cordite factory making munitions for the Royal Navy and it might have remained just another, obscure, factory had there not been an explosion in the works in June 1931 which killed 10 people.

These casualties were greater than it suffered during the five years of World War II when it *received considerable* attention from enemy bombers. But a combination of brilliant camouflage and German inaccuracy, meant that production continued relatively unscathed.

Rank began developing 87 acres of the site as an industrial estate—about a third of this part is now occupied—but Mr Thomas, director of Rank City Wall, could see the potential of the rest of the land which runs down to Poole Harbour and overlooks Brownsea Island (much of it National Trust land) as a nature reserve.

He knew that Professor Norman Moore, the NCC's chief advisory officer, had done work 30 years' ago on dragon flies breeding in the water holes created by German bomb craters and was determined to find some way to preserve this valuable area.

He was also aware that so much of Dorset's heathland is continually threatened. There are other nature reserves at nearby Holton Heath but the county's heathland is being eroded at the rate of an acre a day.

Industry and housing are partly responsible but the biggest danger is from farmers stimulated by Government and, more recently, EEC grants. There are now just 14,400 acres of heathland remaining in Dorset, half the amount of 30 years ago.

Holton Heath is the habitat for nationally important populations of smooth snakes and sand lizards. There are several butterflies, such as the silver-studded blue and the white admiral. There are damselflies and dragonflies and uncommon birds such as the stonechat, nightjar, woodlark and the Dartford warbler.

It might not matter an iota to the balance of payments if all these were to disappear but it would considerably devalue the quality of life if there were no parts of the countryside where the flora and fauna *developed at their own pace.*

Unfortunately, governments have ambivalent attitudes towards conservation. They back organisations such as the NCC but finance farmers to produce more. They want protected areas but expect private individuals to maintain them.

Such maintenance is not cheap. *A farmer with heathland* near to Holton Heath threatened to plough up some of it unless the council bought it from him at £1,000 an acre.

Farmers and other landowners can hardly be criticised for wanting to maximise their own finances. Why should he set land aside for the birds when the Government is willing to pay him to put it under the plough?

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New annual is a must for punters

RACING

DOMINIC WIGAN

THE TIMEFORM organisation, which sponsors tomorrow's £6,000-added Timeform Chasers and Hurdlers Chase at Ayr, looks to have come up with *another winner in its annual of* the same name for 1980-81.

Now nearly as popular as Racehorses, its longer-established flat racing companion, Chasers and Hurdlers has become indispensable to anyone seriously following events over the sticks, and it is *good to report that this latest* volume (released tomorrow) is up to the standard set by its predecessors.

A book which deals alphabetically with every horse that ran over hurdles or fences in the 1980-81 season, Chasers and Hurdlers also covers the fortunes of a number of Irish horses not seen in Britain.

Chasers and Hurdlers, which gives the age, colour, sex, breeding, form summary, rating and trainer for each of the several thousand horses which ran last season, also deals in commentary form with most of the animals listed. In many cases, Timeform's nine compilers assess the potential of horses.

And on the potential of Little Owl, Timeform's compilers are more forthright than might have been expected. "Here we have a young chaser, unbeaten in eight completed outings over fences, whose prospects seem almost boundless, provided he keeps his form and stays free from injury," they say.

They may well be correct, in that assessment, but it can be argued that Little Owl has achieved nothing on paper yet to suggest that he is "potentially one of the most talented steeplechasers since Arkle."

However, it is very much to be hoped that those compilers are near the mark for steeplechasing badly needs another crowd-puller.

Chasers and Hurdlers is published by Portway Press, Timeform House, Halifax, West Yorkshire, and is priced at £30.

ASCOT
2.00—Brigadier Hawk**
2.30—Valiancy*

WORCESTER
3.15—William The First***

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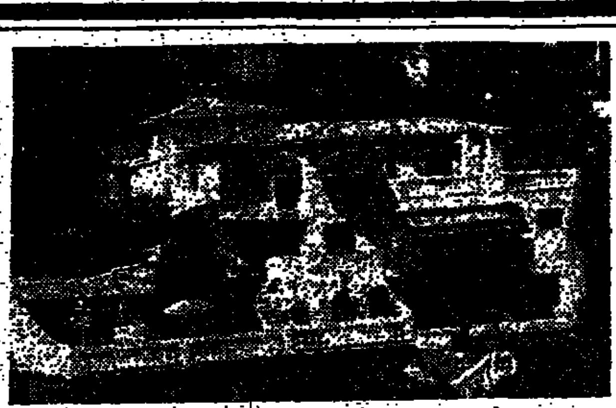

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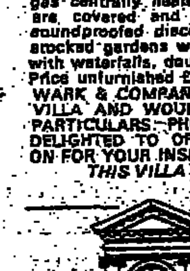

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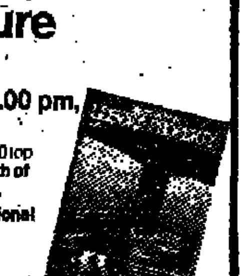

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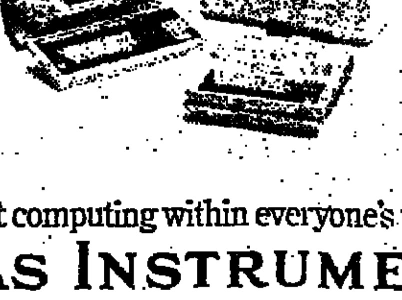

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Chrysler: 'a big miracle' is next on the agenda

Ian Hargreaves assesses the prospects for the beleaguered U.S. motor group as it launches its latest range of vehicles

IT WAS a scene many of us did not expect to witness: the launch of Chrysler's 1982 cars and trucks.

But the scene was real. In the Arlington Heights Hilton Hotel, Chicago, last week there was a room full of Chrysler cars. There were sports cars, mini-cars, family sedans, small trucks, bigger trucks, vans, fancy limousines and even a convertible: 21 car models in all.

Among the beaming PR men, Mark Twain was much in fashion. "Reports of our death were greatly exaggerated," they were saying.

Lee Iacocca, Chrysler's chairman, squinting into the TV lights for the hundredth time this year, was getting simultaneously naval and biblical in the excitement. "That massive keel-hauling is now over. The trip through the valley of the shadow of death is behind us. We're a new company. We've delivered on our promises to the United States Congress and the American people." And so on.

Chrysler, Iacocca says, has the most modern plants in the world; its vehicles lead Detroit in fuel economy; it has the lowest prices and the fastest growing market share. Chrysler is even signing up new dealers and, in the middle of "the worst automotive recession in 50 years," the company has *turned in a slim second quarter* profit, its first quarterly surplus for more than two years.

Those whose names have appeared beneath headlines like "why $400m may not resurrect Chrysler" (Financial Times, January 16, 1981) are being made to squirm; but although this squirming may be premature, there is still much in *Chrysler's achievement worthy* of acknowledgement.

Perhaps no-one other than Iacocca could, in the first place, have pulled off the mixture of sheer hustle and appeal to the self-interest of the politicians that was necessary to get $1.5bn in loan guarantees out of Congress, pay cuts out of workers and a massive debt *write-off from its banks.*

Even more remarkable than that is the way Chrysler's top management has been able, through two long and distracting political dogfights, to keep its eye on the real target and secure genuine improvements in quality, product range and market share.

In the first eight months of this year, Chrysler secured 10 per cent of the U.S. car market (compared with 8.6 per cent in the same period of 1980), helped by imports from Mitsu*bishi of Japan, which bear* Chrysler's name and are sold through Chrysler dealers. This gain was at the expense of *General Motors* (down from 45.4 to 44 per cent) and to some extent from Ford (down from 16.2 to 16 per cent) and Volkswagen of America (down from 2.1 per cent to 1.8 per cent).

Chrysler's famous K-cars, on which so much depended when they were launched onto a shaky market last autumn, have been a *success. This year,* about 410,000 have ben sold, compared with Ford, which through lack of capacity, sold only 340,000 of its Escort-Lynx "world cars."

As for product range, Chrysler's 1982 line-up is an act of military bluffing worthy of the confederate Civil War hero General Robert E. Lee. Beneath all those shiny bodies *lie two basic motor cars:* the four year-old Omni-Horizon (which was modelled on Volkswagen's Rabbit/Golf) and the K-car, supplemented only by Mitsubishi and the residue of old gas-guzzler frames which Chrysler is busily trying to work out of its repertoire.

It is easy to knock this as a resort to old-fashioned Detroit nameplate and engine switching, but the line-up is at the very least an act of considerable resourcefulness on the basis of very limited means. The production of the convertible, for example, has been achieved in little over a year from the date of its original conception. Ford had the same concept at the same time, but the car is nowhere in sight.

Lee Iacocca: high hopes of Chrysler's 1982 models which include (clock wise from top left) the Omni Miser, certified to achieve 50 mpg on the open roads; the Plymouth Sapporo; the 1½-ton Expanded Mobility Truck; and the new convertible

Cushion

On the financial front, *Chrysler has just about kept* its balance under the guidance of Gerald Greenwald, aged 46, who joined Chrysler from Ford in 1979. "We have learned to run a big car company without all the financial cushion you would normally have," he says.

This has been achieved by keeping a choker-tight hold on cashflow, a policy which in turn demands that the company maintain a certain selling rate for its products, even if that means cutting prices to loss-*making levels, and constantly* fine tuning expenditure, even if that means holding up capital programmes. Three times in the past year Chrysler has led the industry into huge price rebating programmes and last week Iacocca anounced the most dramatic deal yet—the decision to freeze prices on a third of Chrysler's 1982 range, *thus wiping out a 7.7 per cent* price increase announced earlier.

This may sound simple, but in a $10bn a year corporation, even the art of knowing what you are spending on a day-to-day basis is complex.

It goes *without saying, however,* that Chrysler still has an awful long way to go. "We have performed our little miracle; now comes the big one," says Iacocca, never at a loss for a succinct phrase.

For a start, Chrysler is still losing money. It became over-confident and produced more cars in the second quarter than it could sell even at rebated prices: as a result it will make a bigger loss than forecast in the third quarter just ended. For the year, Chrysler has set *a loss target of $253m,* but it will be hard put to hit this target.

The policy of moving cars at almost any price is obviously one which can only last so long, given that Chrysler has zero equity and no borrowing power. At the end of June, the company had $2.4bn of debt and it is pledged to start paying back $1.2bn of government-guaranteed loans in 1984. By March next year, Chrysler will have paid off (at the concession*ary rate of 30 cents to the dollar) its remaining* $320m of bank debt.

The company also has a mounting pensions problem. Chrysler's unfunded liabilities to its workforce and ex-workforce amount to more than $1.4bn and it recently persuaded the authorities and *its trade union* to defer payment of a further $260m.

In short, Chrysler is still well and truly on the rocks. It can *only be re-floated by a rising* tide of car sales across the industry and that can probably only happen when interest rates come down and the U.S. economy returns to greater stability.

In the model year just ended, Detroit and its rival foreign manufacturers (the latter accounting for a quarter of the *market) sold* 9.1m cars and 2.4m trucks. Chrysler says it needs to sell 1.2m units a year to make sustained profits and it thinks it is capable of holding 10 per cent of the market with its domestic products. That means Chrysler needs a car and truck market in 1982 of at least 12.5m units, which is 1m units more than 1981 or 1980, but way below the 15.5m units at the market's peak in 1973. Ford and American Motors are predicting industry sales of 13m units next year, but they know *they could well be wrong if* interest rates stay high.

If the industry remains in the doldrums, early next year Chrysler will have to start think*ing about selling off something.* The candidates are Chrysler Mexico, which is profitable, an electronics subsidiary in Alabama or Chrysler's defence business, which makes tanks.

The company is also still trying to sell half of Chrysler *Financial, its dealer and customer* finance arm which could provide someone with a useful base for developing a consumer finance business. But so far, buyers have been put off both by the overall financial condition of Chrysler and by the fact that Chrysler Financial is, in support of the parent company, still lending money to customers *in states where it is illegal* to charge a market rate of interest.

In Arkansas, for example, the legal limit for car loans is 10 per cent. Chrysler Financial's current average cost of funds is 18 per cent. "We have these problems in 40 out of 50 states," says Greenwald.

Chrysler also has to go on carrying a huge interest burden, costing it over $300m a year, even though the Government aid programme has at least given it stability by fixing its rates at a constant level (the average is a bargain 13 to 14 per cent).

Iacocca thinks the 1980s will be the best in the industry's *history, as pent-up demand is* released by stable petrol prices, falling interest rates and inflation and a stronger economy. "The trick now is to make sure you don't die before you get to that period," he says.

Chrysler is perilously short of life-support systems, but, in addition to asset sales, it does have a couple. One is the recent change in the tax laws which will enable loss *making and* therefore non-taxed companies to sell their capital equipment to a profitable corporation, which can then bank the investment tax credits and pass them back minus a fee to the ailing principal. Greenwald, who is just signing the first deal, says this will save Chrysler $400m to $500m in cash in the next *four to five years.*

Even more important are Chrysler's concessions from the United Autoworkers' Union, worth over $1bn, or $3 per hour on the basic labour rate; or, *according to Ford, $200 a car.* Under pressure from Ford and GM, the UAW now says its goal is gradually to take Chrysler back to industry pay norms.

Then there is Chrysler's $1.7bn tax loss carryforward, a relic from the $3bn in losses Chrysler managed to accumulate between 1978 and 1980. That means Chrysler will not pay any taxes *for a long time* to come. It also means that any company which takes over Chrysler would have some handy tax offsets.

A merger, or some form of joint operating programme, remains Chrysler's best hope of surviving intact in the long term because the company's anaemic balance sheet will simply not permit *it to make* the capital spending programmes necessary to plan for the 1990s. For example, it does not have any diesel engine capacity at a time *when the diesel-engined car is* the fastest growing segment of the market. That is why Chrysler plans to buy diesel engines from Peugeot-Citreon.

This year, Chrysler will spend $497m on capital programmes, compared with $2.5bn at Ford and $8bn at General Motors.

"They just aren't able to keep up with the game," says Philip Caldwell, the Ford chairman, *whose board has already turned* down an invitation to take Chrysler under its wing.

This shortage of capital could be especially crucial in the truck sector, where Chrysler's market share, even including its Mitsubishis, was down from 12.9 per cent to 9.9 per cent in the first eight months of this year and where it badly needs completely new products rather than nameplate switches and restyled interiors.

Sensitive

Caldwell also thinks that Chrysler's car products are unattractive, both in terms of technology and styling, lacking as they do the aerodynamic *appearance and four wheel* independent suspension of the Escort-Lynx, for example. "The K-car is the last burp of the 1970s," he says scornfully.

Iacocca says that Peugeot and Mitsubishi, in each of which Chrysler has a 15 per cent stake, remain the likeliest bets for a deal. The timing? "Between 1985 and 1990," he says, "after we've had a couple of black quarters."

Certainly, for example, that would be an honourable outcome for the Chrysler chairman, although it remains one fraught with *difficulties. It would* almost certainly mean that the U.S. Government would have to write off the $1.2bn in debt. This could be very sensitive *politically if the buyer turns* out to be from overseas.

But Iacocca is certainly right about one thing. Chrysler's most attractive asset to any purchaser is its share of the biggest auto market in the world. That is being defended at all costs.

Management abstracts

Measuring changes in market share. R. D. Buzzell and F. D. Wiersema in Strategic Management Journal (UK), Jan/Mar 81: p. 27 (16 pages, tables)

Reports research to determine general relationships between market-share change and variables representing competitive position and marketing *strategy; presents the results,* which show that among the most significant determinants are product quality and the exit and entry of competitors.

Human resources management. M. A. Devanna and others in Organisational Dynamics (U.S.), Winter 81: p. 51 (17 pages, chart, tables, bibliog).

Identifies factors contributing to what is said to be the growing importance of human resources management; presents a framework for improving the personnel function, based on an investigation to measure its effectiveness and identify areas *requiring change.*

The extent of risk in employing ex-offenders. K. Soothill in Personnel Management (UK), Apr 81: p. 35 (3½ pages)

Reports research into the employment of white-collar ex-offenders; indicates the number in employment and reconvicted, and draws the conclusion that there is no additional risk.

Safety committees. J. Leopold and R. Coyle in Personnel Management (UK), May 81: p. 30 (3 pages, table)

Dealing particularly with small businesses, examines the impact of the requirement to create joint union-management health and safety committees, and gives an example of the way such a committee works in an unnamed manufacturing firm.

The role of supervisors and shop stewards. C. Wyles and M. Evans interviewed by S. Meaker in Works Management (UK), May 81: p. 49 and 58 (7 pages, diags.)

Makes recommendations on the role of foremen/supervisors, e.g. there should be fewer levels *of supervision, and supervisors* (not shop stewards) should be the communicators between management and the workforce. Gives the views of the general secretary of the Transport and General Workers' Union on what the relationship between management and shop stewards should be.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £2.50 each (including VAT and p+p; cash with order) from Anbar, P.O. Box 23, Wembley HA9 8DJ.

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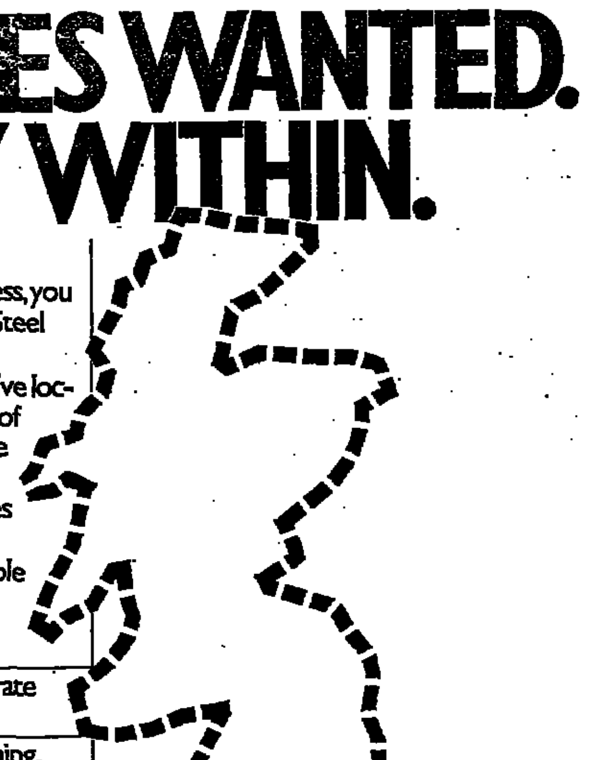

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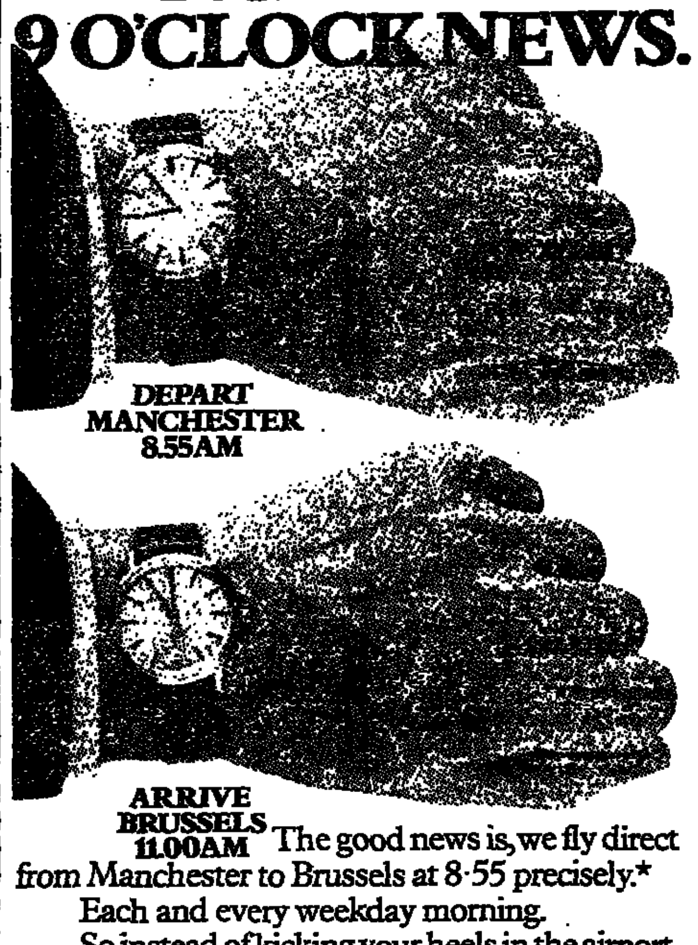

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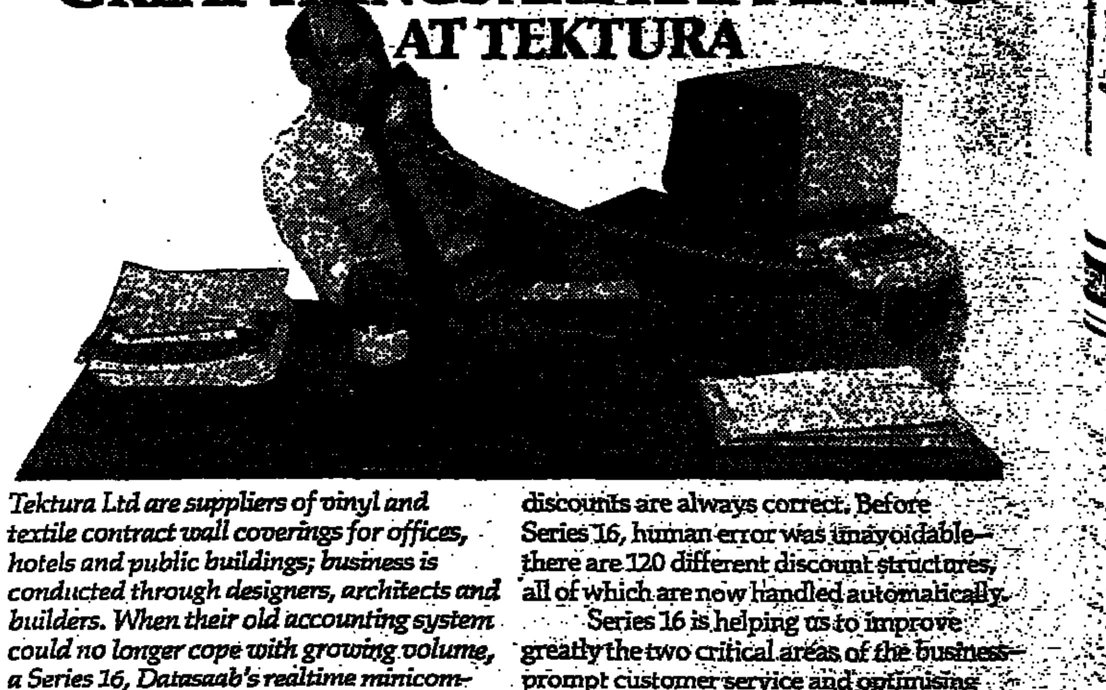

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THE ARTS

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Caritas

Four of Arnold Wesker's last five plays have not been seen in London, so along comes the National Theatre to present his new one, with a Christian setting, on Yom Kippur. This will do no good at all for Wesker's much-touted sense of cultural alienation. RSC actors refused to appear in *The Journalists* (1972); a West End management broke a promise on *The Wedding Feast* (1974); Zero Mostel was inconsiderate enough to die before the Broadway premiere of *The Merchant* (1976), and its subsequent Birmingham Rep performance failed to find enthusiastic London money; *Caritas* was commissioned by a group of Scandinavian theatres.

Wesker nowadays is a prophet without much fashionable honour in his own land, a gritty survivor beached on a lonely shore by the prevailing winds emanating from the Warehouse and the Royal Court. Like his new heroine, Christine Carpenter, he must often feel like banging his head against the brick wall that separates him from the sunshine of favour.

The play is based on the story of a Surrey nun who became an anchoress in 1329, renounced her vows, but was "persuaded" to live by them. Wesker moves the action forward to gain purchase on the background to the peasants' revolt of 1381. Like Edward Bond, the playwright has an acquired feeling for the Norfolk dialect, so Norfolk is where we go. The Carpenter family and Christine's boyfriend Robert, an apprentice, bemoan her religious fervour while, in a striking opening scene, she prostrates herself before the Bishop of Norwich (Frederick Treves), a stained glass window and a swinging thurible.

One of the play's problems, unsolved by Andrew Jackness's design, is that we do not see Christine for nearly an hour. We hear her demanding hair shirts and chains from behind an ugly grey monument while the Carpenters give short shrift to a tax collector and an old woman regales the prisoner with humorous saintly anecdotes. Religious fanaticism, the play suggests, is no substitute for secular learning. Robert was hoping to learn to read from Christine. Instead, he goes off to London and is killed in the riots when Wat Tyler and John Ball confront the boy king. Suddenly, despite the period, we are talking once more about Jerusalem.

On seeing the light and renouncing her vocation, Wesker plays his trump card. The cell swings round and the final half hour is a monologue of frustration, hysteria and humanitarian common sense delivered with quite astounding force by Patti Love. The play's prose takes flight, its rhythms and cadences leaping to life in Miss Love's virtuoso technical display. After the phoney "showing" she experiences within those walls, in the gaze of an audience she concludes there are two Gods, one digging the earth, the other shovelling it back in.

John Madden's production, uneasy earlier on, now hits its stride, making strong use of Rory Dempster's lighting and Rob Barnard's sound track to conjure an image of a frightened yet resilient young woman. Childhood songs obliterate ecclesiastical chants as Miss Love crouches and rocks on her heels, beating against a trickle of light like a moth at a lit window and yelling repeatedly that the remedy for lust is mortification of the flesh.

MICHAEL COVENEY

Leonard Burt

Frederick Treves and Patti Love

Cinema

History repainted by NIGEL ANDREWS

History of the World Part I (AA) Warner West End, ABCs - Shaftesbury Avenue, Bayswater, Edgware Road, Fulham Road

Three Brothers (A) Camden Plaza

Lightning Over Water (AA) Gate Bloomsbury Twin

The Janitor (AA) Classics Oxford Street and Haymarket

Years of practice in drawing moustaches on movie solemnity have made Mel Brooks the best graffiti artist in the cinema. The hunch-shouldered imp with the mad eyes and the hoarse, Borscht-belt croak scutles onto the screen, sizes up whatever genre is to hand—the western in *Blazing Saddles*, the horror film in *Young Frankenstein*—and then starts daubing.

In *History of the World Part I* the canvas is his largest yet, a costume epic encompassing Stone Age, Roman Empire, Spanish Inquisition and French Revolution, and Brooks himself is up there in it, palette in hand, repainting history (and Hollywoodese) according to the gospel of anachronism, slapstick and Jewish humour.

Brooks can sometimes go wrong, as his last film, the Hitchcock hotchpotch *High Anxiety* nosedived to show. But he seldom pussyfoots astray, like Woody Allen or Monty Python, suddenly attacked by seriousness or archness. His best films stampede in the wrong direction, so completely wrong-footed that they never recover. But when they begin right there's little to check their momentum. After five minutes of pawing the ground in *History of the World Part I* with a warm-up *2001* spoof (Dawn of Time and Strauss's "Zarathustra") and a limber-up caveman sketch with Sid Caesar malarkying in a mammoth pelt, Brooks gets his head down, flares his nostrils and charges.

The result is his best film since *Blazing Saddles*; its strength lying in its wonderful schizophrenic switchbackings between *peplum* pomposity and sudden moderinst put-downs or slapstick anchronisms. Moses (Brooks) walks into view on the Sinai summit precariously carrying three stone tablets (five commandments each): "Lord, I have received your fifteen"—one tablet crashes to the ground—"*ten* commandments." Later, in the Roman Empire sequence, Brooks plays a "stand-up philosopher" doing an anxious, toga'd comedy routine at—where else?—Caesar's Palace. And in the Spanish Inquisition section, howled at for bad taste by many in America, it's Brooks again as Torquemada who leads a giant song-and-dance number that ranges from two-stepping Iron Maidens to black-garbed nuns who strip off by a swimming pool to become chorines in chlorine *à la* Busby Berkeley. (The film's best visual joke of all is also in this sequence: the three side-by-side torture wheels which revolve at the pull of a fruit-machine lever to produce a cascade of coins.)

If faintness or affront befalls you at such notions—or at that of the waiter (Brooks again) asking the disciples at the Last Supper if they want separate bills—then *History of the World Part I* may not be for you. But court jesters, by tradition, are licensed to offend and Brooks wears his motley and jangles his bells and bangs his bladder (so to speak) with such glee that to allow yourself 90 minutes out of Good Taste to enjoy him is irresponsibility well spent.

In addition to goggling at Brooks, wonder at Madeline Kahn as the gum-chewing Roman Empress Nympho, drawling *double entendres* in a voice that's like Judy Holliday after swallowing a buzz-saw: relish Dom De Luise playing Nero with portly abandon as a forefather of Zero Mostel: and, several centuries later, marvel at Harvey Korman as the finicky French Count de Monet fending off peasants and aristocrats alike as they keep mispronouncing his name. ("Not Count-de-money, Count de MonET!") *History of the World Part I* is the best comedy, and probably the best history epic, you'll see this year.

Francesco Rosi, the Italian director who used to specialise in shell-shock cutting-and elliptical, not to say epileptical narratives (*Salvatore Giuliano*, *Lucky Luciano*, *The Mattei Affair*) has suddenly turned into a master of lento linearity. *Christ Stopped at Eboli* was a meditative pilgrimage to Southern Italy where, trowel in hand, Rosi dug away at the roots of Fascism. His new film *Three Brothers* returns to the south in the tale of a seigneurial old farmer (Charles Vanel) newly widowed, whose three eponymous male offspring come back to the home to attend the funeral.

The said brothers are carefully differentiated according to age and life-style: a 30-ish teacher in a boys' reform home (Vittorio Mezzogiorno), a 40-ish factory-worker and womaniser (Michele Placido), a 50-ish magistrate with a wife, a clutch of strongly right-wing views on Law and Order and a daily tally of murder threats in his post-bag (Philippe Noiret).

Marooned together away from the urban growls and clatter of the North, we watch the three men slowly unwind their lifelines back to their childhood: the common bond of parentage and yet the different formative springboards from which they began their lives. (The oldest son, in true Italian tradition, received the best education, university included: the second and third were left to fend for themselves after basic schooling).

Political quarrels break out between the two oldest brothers, and each of the three has a personal life whose hopes and anxieties are depicted in dreams or daydreams as they sleep together in the big bedroom they shared as children. In a golden, ageless, sun-baked landscape *Three Brothers* unfurls with a subtle slowness that's as mesmerising as anything Rosi has done. The camera itself moves to mimic the push-and-pull fascination of the past—in teasy, queasy blends of track and zoom that push forward and pull back at the same time—and the characters' conscious and unconscious minds so seamlessly elide that visions leap gracefully, noiselessly in and out of view like dolphins in a sea. *Three Brothers* suggests that the roots of many of our "adult" conflicts lie in our childhood and so may the hope for continuity, concord and community.

Lightning Over Water is a weird and stricken shambles of a film made by a living director about a dying director. Germany's Wim Wenders (*Alice in the Cities*, *Kings of the Road*) pointed his camera at Hollywood veteran Nicholas Ray (*They Live by Night*, *Rebel Without a Cause*)—with Ray's collaboration and co-credit as director—during the late lens-wielder's dying days as a cancer victim. There Ray lies or sits or crouches in his New York apartment, a harrowed and hollowed invalid, long-necked, leathery-skinned and lost-looking like a tortoise without its shell.

Born of a friendship born of admiration (Wenders wrote a special guest-star role for Ray in his film *The American Friend*), the Wenders-Ray alliance is a fascinating bonding across the movie generations. But the film doesn't explore the friendship or its roots, it merely sets us down in the ante-hall of death to watch what seems ever more like the slow and morbid cavortings of a young Turk around a dying Pasha.

Mel Brooks as King Louis XVI of France in 'History of the World Part I'

However grand his films were, Ray himself built in public the image of a cantakerous old poseur, an archly eccentric rebel-without-a-puse, and he doesn't shake it off here. Wenders, although in this revised version of his film he's wisely played up a mock-fiction slant to the proceedings (film noir-style music and voice-off narration), looks ill-at-ease in his own appearances in the movie, a mixture of effortful deathbed cheerfulness and back-seat sycophancy. At its best *Lightning Over Water* is a bravely misfiring attempt to confront the taboos of death. At its worst it's like watching a dying man being forced at camera-point to spend his last days recording his own obituary.

Director Peter Yates and writer Steve Tesich, who made the free-running and exhilarating *Breaking Away*, now stub their toes with painful impact on their new film *The Janitor*: a poky thriller about a young man (William Hurt of *Altered States*) who witnesses a murder and is hotfooted after by a young lady TV reporter (Sigourney Weaver) in search of a scoop.

When coincidences and red herrings aren't socking you in the face, the stilted *mise-en-scène* and rotten voice post-synching are. The best performance is by Ralph the dog. The way he jumps out from behind doors at his returning owner Hurt shows that he has clearly modelled his behaviour on that well-loved valet and sparring-maniac, Inspector Clouseau's Cato.

Coliseum

Fidelio

by RONALD CRICHTON

Linda Esther Gray sang her first Leonore in *Fidelio* on Wednesday in the Joachim Herz production, made for ENO last year. She sang warmly, generously, with an air of unselfconscious nobility right for the role. Miss Gray is tall and strongly built, but that does not make her disguise as a boy more implausible than most. (Those who hold gaoler Rocco as an endlessly devious character might consider the possibility that he guessed the truth and craftily foresaw potential reward from that quarter as well.) The womanliness is in the voice, and even the most literal-minded spectator should not be troubled by that.

In spite of such abundant vocal material and a strongly sympathetic stage personality, this Leonore remains a sketch, greatly promising but unfinished. Not for the first time, one has to report that the singer's words in song and in dialogue were far from clear. One or two crucial sentences in the second act showed that she can enunciate firmly enough when she puts her mind to it. Many other passages, including, unfortunately, most of the big first-act aria (which contained some magnificently sustained long phrases) were voiced in a language with strange Northern vowels and no consonants.

The missing dimension removes some of the edge from the evening as a whole—I did not see it last time, but presume that Mr Herz's production (rehearsed now by David Gollins) originally had plenty of edges and sharp ones at that. On Wednesday, Pizarro's minions were clattering gingerly over the noisy set, looking more like bogeymen than real nasties. In fact, in the first act, set and costumes, with their relentlessly rigid use of battleship grey, might have been an intentional parody of post-war German design. An interesting touch was the slight but perceptible facial resemblance of Rocco (Dennis Wicks, an effective performance) to Bertolt Brecht.

There was a new Marzelline, Patricia O'Neill. A sharp little piece, if ever there was one, sung with excellent directness. No lack of edge here. The remaining principals were as before. James Lockhart is the new conductor. Once settled down, the playing at its best had a sensitive feeling for Beethoven's textures. Though it is Mr Herz in the programme who sticks up for the unity of Beethoven's conception, it was Mr Lockhart and the orchestra who proved the point.

Festival Hall

LPO/Solti

by ANDREW CLEMENTS

In recent seasons the Royal Philharmonic Society concerts have been linked thematicaly. This year the connecting thread is "American music"; an indication of a ghetto mentality perhaps — would they have dreamed of making "French music" the theme?—but it did nevertheless provide an excuse for a sterling performance of Elliott Carter's Variations for Orchestra, by the London Philharmonic under Solti.

Carter has suffered more than most contemporary composers from inadequate orchestral performances, on both sides of the Atlantic, and he has written with feeling on the subject more than once. The Variations of 1954-55 were the beginning of his problems, and to hear them as exactly and excitingly delivered as the LPO managed on Wednesday was justice in itself. They remain one of his most challenging works. The programme note for the concert suggested a conventional theme-and-variations format, where in fact the structure is built of three elements accorded equal weight, the theme itself and two ritornelli, which may be varied simultaneously or separately. Over-simplifying things was no help to either audience or music.

Solti has conducted the work once before in London; now he clearly has it as his fingertips. All the rhythmical conceits—the ear continually contradicting the eye when a score is followed—were scrupulously rendered; the scherzando elements had an authentic lightness and wit; the chordal brass had a romantic splendour. The LPO negotiated the score with total assurance; imprecisions could be counted on one hand. With such care the work emerges as one of Carter's most approachable, for all the arcaneness of its structure. Solti must record it very soon.

From the rest of the programme, however, it was clear that much of the rehearsal time had gone into the Carter. Debussy (after someone told quality, with only an occasional steely glint to provide variegation. The last movement gathered some momentum, and discharged it superbly in the trumpet calls expunged by DWebussy (after someone told him they sounded like Dukas) and brazenly reinstated here. The Leeds winner, Ian Hobson, had earlier been the soloist in Beethoven's second piano concerto; a quite impersonal account, touching depths only rarely in the cadenza and the slow movement, and frequently lacking even the simple virtue of technical assurance.

Wigmore Hall

Elly Ameling

by RICHARD JOSEPH

Miss Ameling's success at the Wigmore Hall Wednesday night was all the more marked for having been unobtrusively, subtley achieved. Other singers display a well knit, attractive tone colour, facility with languages, stylistic adaptability and respect for the composer's text. And with these sterling qualities they produce Lieder recitals of such reverently inflected boredom that the whole genre become discredited.

That Miss Ameling has these attributes is not in doubt, but to them she adds a degree of concentration that focuses the audience's attention on the song rather than the singer. That's precisely what a recital snould be about; however, it's rarely achieved.

Especially noteworthy were means, rather than timbre, which the soprano used to the differentiations of technical enliven different repertory.

Debussy's four settings of Verlaine were sung with a slightly smoky, mixed voice that gradually cleared as the line ascended, producing a sensuous but light feeling. Conversely, Wolf's *Mignon Lieder* employed a clearer, more traditional vocal placement, intensified by means of a slight, quick vibrato which emphasised Mignon's serious, contradictory youthfulness.

Pianist Rudolf Jansen sounded unsettled and out of step with his soloist in the comparatively simple *arie antiche* that opened the recital. Later, especially in the Debussy group and in the three Strauss songs that closed the recital, he produced finely graded soft playing that cushioned the voice and kept complex textures transparent. One had the impression that he was not equally at home, or equally familiar, with all the music in the programme.

Arts news in brief

Richard Eyre has joined the National Theatre as an associate director.

★

The Commonwealth Poetry Prize, an annual award worth £500, has been won by Philip Salom of Western Australia for his collection of poems *The Silent Piano*.

★

The Arts Council has approved theatre writing bursaries of £1,000 to Jeremy James Taylor, Jane Poncia, Ken Ross, Allen Sadler, Paul Goetzee and Lennox Brown.

★

The National Theatre's production of Calderon's *The Mayor of Zalamea*, directed by Michael Bogdanov, is to transfer from the small Cottesloe to the large open-stage Olivier—the first play to do this. It opens there on December 7.

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F.T. CROSSWORD PUZZLE No. 4,693

ACROSS

1 Pal goes round the old city due for payment (6)
4 Fat round pig for early port (8)
9 Lieutenant includes a pious wish in mourning (6)
10 Growing confounded (8)
12 "His sceptre shows the force of —— power" (MoV) (8)
13 Disregarded by one who ad-libs (6)
15 Connection with the right in the Transvaal (4)
16 Long-winded chap in poetic surroundings (7)
20 Fits lay to hide dishonesty (7)
21 Type of bird (4)
25 Not so good as to travel hopefully (6)
26 The bird makes the Russian socket (8)
28 Inclination must include the right knowledge (8)
29 Card game is a bad thing in company (6)
30 Part sent for restoration in church (8)
31 People must have the stomach for this feature (6)

DOWN

1 Warlike, but not one of the boys in blue (8)
2 Tommy is upset over the state—that is what I think (2, 2, 4)
3 Rump-fed in Macbeth (6)
5 Friend who has not lost his marbles (4)
6 Reserve suit for your library (4-4)
7 A political party is full of excuses (6)
8 Figures it is in lodgings (6)
11 The girl is a butterfly (7)
14 Neighbour makes the sailor speak (7)
17 Upstarts knock up the Beauty Queen (8)
18 In his case it is on with the new, but not off with the old (8)
19 Small development area (4, 4)
22 "Time hath, my lord, a —— at his back" (T and C) (6)
23 List of mistakes (6)
24 Trembling like a fish (6)
27 Fixes up a good thing (4)

Solution to Puzzle No 4,692

FINANCIAL TIMES

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The machinery of justice

THE DELAYS and high costs involved in the administration of justice have now become so great that they often frustrate the purpose of the law.

Most citizens cannot afford to go to court to settle their civil and commercial disputes and the punishment of offences comes much too late to have a deterrent effect.

The English machinery of justice is of medieval design, embellished by a few Victorian improvements. Its large major overhaul took place in 1873. The many committees and Royal Commissions appointed since then to pacify discontent have produced a mountain of paper but hardly a mouse of reform. Commercial arbitration, as well as the numerous tribunals created in response to the new needs of an industrial society, has been invaded by lawyers and imitate the anachronistic and costly ways of the High Court.

Profitable

Neither Parliament nor the legal profession have so far had a strong enough incentive to reform the system. The profession has delighted in its ancient ways, not only because they are picturesque but also because they have been profitable. The point has now been reached, however, when resistance to reform may kill the goose which lays the golden eggs. The solicitors will be the first to suffer, and at their national conference in Harrogate they applauded yesterday the President of the Law Society when he called for a fundamental reform of the law and of its administration, arguing that minor changes will no longer meet the public need.

The directions of reform are clear. High priority should be given to making certain and understandable law which is now obscured by the incomprehensible drafting of statutes and the proliferation of precedental decisions reported too late or not at all. The Law Commission should be allowed to move at full speed to consolidate and codify the law, and Parliament should adopt special procedures to speed up the passage of the Bills which the Commission prepares. Second, there is no longer need for interminable oral arguments in court. Written submissions should be given greater scope as is the case in the U.S. and in Continental Europe. Time for oral arguments should be strictly limited. This would reinforce the case for doing away with the division of the legal profession into solicitors and barristers which is costly in terms of time and money. Third, judges should be given greater control over pre-trial stages of litigation and powers to stop procrastination and to ensure an efficient trial. Court administration should be purged of the many historical monopolies which lead to fragmentation of procedure. Courts should be provided with up-to-date systems for the recording, retrieval and reproduction of information. Fourth, the County Courts should be strengthened and litigation should, as a rule, start there and be referred to arbitration whenever suitable, as is done in France. Only disputes involving difficult and important issues of fact or law should be allowed to proceed to the High Court.

Similarly, in the criminal field Magistrates' Courts should be streamlined and strengthened, election of trial in a higher court should not be possible for minor offences, and trial by jury should be reserved for only exceptional categories of cases where the gravity of the offence depends more on prevalent concepts of morality than on strict definitions of the law. The historical anomaly which entrusted the prosecution of crime to police should be replaced by a regional network of public prosecutors independent of the police, and the Home Office responsibility for rules of Magistrates' Courts should pass to the Lord Chancellor.

Awareness

Finally, as a matter of special urgency, steps should be taken to relieve the judicial system of matters which can be better, cheaper and more quickly settled by administrative procedures. Traffic and other "technical" offences should be removed from criminal courts and dealt with by an administrative, computerised system with the possibility of appeals to magistrates. Non-payment of fines should lead to de-registration of vehicles. On the civil side, compensation for personal injuries in motor accidents should be put on a "no-fault" basis and settled in the first instance administratively, with a possibility of appeal to courts.

Such broad reform cannot be achieved without a greater awareness on the part of the political parties: when the machinery of enforcement is jammed a flood of statutes leads only to lawlessness. It cannot be achieved without a more enterprising approach on the part of the Lord Chancellor's Department. One thing that is not necessary is another Royal Commission.

Linking schools with industry

THE BELIEF that preparation for earning a living is no proper part of a young person's education has a long pedigree. Associated with the thinking of Aristotle over 2,000 years ago, it persists at least in parts of the education systems of many countries. Its persistence has been especially strong in Britain. Although other nations had for long included vocational preparation in children's normal schooling, only five years ago the UK educational profession raised an outcry against a statement by the then Prime Minister, Mr James Callaghan, that one of the objects of education was to fit children "to do a job of work."

Central body

Despite the initial hostility of professional organisations, it is clear that Mr Callaghan's view was shared by many individuals, not only in schools but also in companies and organisations with interests in both sides of the so called education/industry gap. The result is a multiplicity of efforts to improve the mutual understanding of schools and employers by having managers and other staff to talk to classes, by sending teachers and pupils to see at first-hand what work in industry means, and by numerous other means.

These initiatives have been so many and varied as to leave the heads of both industry and the education services with no comprehensive knowledge of what is going on, let alone which of the particular schemes to link schools with companies are worth continued support. Accordingly the Government asked Mr Neville Cooper, administrative director of Standard Telephones and Cables, to examine whether a new central body should be established to control the development and funding of the linking schemes.

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His conclusion after a year's review is that there is need for greater co-ordination particularly since most of the activities are worthwhile and offer scope for expansion and further initiatives. A committee of about 30 chairmen of major companies who have shown personal interest in the schemes should be established to spread enthusiasm in industry and perhaps provide a trust to attract funds from charitable bodies and individual benefactors. Greater interest would be stimulated in the education system by instituting an annual award to schools which had established outstanding links with industry.

But Mr Cooper opposes the formation of a new central body to control the linking schemes. These should be left largely to raise their own funds so that the less effective would be eliminated by market forces.

In proposing that the Education Department be given greater responsibility for bringing industry and schools together, Mr Cooper is being entirely sensible. Unfortunately, however, this fundamental step will be the one elected ministers will find hard to take. The reason is constitutional. The Education Department has never had the power to fund and manage specific educational activities, such as the linking schemes, in the country's schools. Public funds for schooling are distributed by the various local education authorities which jealously guard their power to decide where to spend the money without any direction by central government. The licensing of the Education Department to promote linking schemes in the authorities' schools could be represented as an invasion of local democratic rights.

Strong case

Even so there is a strong case for ministers to do as Mr Cooper suggests. For the inability of the Education Department to involve itself importantly in co-operation with industry serves to enshrine the tradition that education and working life have no proper connection. Since that tradition is no longer in the national interest the fact should be recognised by giving the Department the extra power proposed.

TAIWAN AND MAINLAND CHINA

The unwelcome embrace

By Kevin Rafferty in Taipei

FOR 30 years, mainland China and the offshore island of Taiwan preserved a sullen hostility, each claiming to be the true representative of China. But in the last few weeks, the Chinese Communists have begun to woo the Nationalists on Taiwan, offering autonomy, a share in central Government posts, oil, coal and medicine at bargain prices, respect for private property, and protection of existing economic relations, if only the country can re-unite. But the Taiwan regime of President Chiang Ching Kuo (above) is having none of it.

CHINA AND TAIWAN COMPARED

	CHINA	TAIWAN
Area (square kilometres)	9.597m	36,000
Population	1,000m	17.87m
GNP (1980)	$242.6bn	$40.3bn
Per capita GNP (1980)	$243	$2,101
Trade (1980)	$37.5bn	$39.5bn
Literacy rate (1977)	66%	82%
Primary school enrolment	93%	100%
Energy consumption, 1978 per capita kg of coal equivalent	805	2,202
Labour force		
Agriculture	71%	19.5%
Industry	17%	42.4%
Services	12%	38.1%
Urban population (1980)	25%	77%

The World Bank gives China's mid-1979 population as 984.5m.
Sources: National figures and World Bank

TAIWAN'S 10-YEAR PLAN 1980-89

	1979	1989	1980–89 average
GNP at 1979 prices	$32.3bn	$69.7bn	$50.46n
GNP growth rate	8.0%	7.8%	7.9%
Inflation rate	13.5%	6.0%	6.0%
Investment	$10.6bn	$24.1bn	$17.0bn
Investment's share of GNP	32.9%	34.9%	34.0%
Per capita GNP at 1979 prices	$1,865	$6,107	$4,000
Unemployment	1.3%	1.3%	1.3%
Exports at 1979 prices	$17.6bn	$56.6bn	$37.1bn
Exports share of GNP	54.5%	81.8%	68.2%
Trade surplus	$0.2bn	$0.1bn	$0.1bn
Oil imports per day in 1,000 b/d	380	650	515
Oil's share in total imports	15%	21%	18%

TOMORROW, the tenth day of the tenth month, 70th anniversary of the overthrow of the old Manchu dynasty and foundation of the first Republic of China by Sun Yat Sen, Taiwan — which calls itself the Republic of China— will give its most eloquent answer to the wooing from mainland China.

There will be the biggest parade Taipei has seen: hundreds of thousands of people, thousands of red flags with their white sun on a blue background, the rich produce of the land, tractors and mini-tractors, the best industrial products that modern technology can make, and an impressive show of military muscle with M47 tanks, Green Bee anti-tank missiles, 105 and 155 mm guns, Honest John surface to surface missiles, Hawk surface to air missiles, and a fly past of F5E fighter jets.

The clear message is that the Taiwan regime of Chiang Ching Kuo has its own government and doesn't want the Communists spoiling it. The military hardware underlines the determination to fight for freedom if necessary.

For 32 years there have been two claimants to the title of rightful Government of China, the Peoples Republic on the mainland with 1,000m people, and the Kuomintang (KMT) or Nationalists on the small island of Taiwan governing fewer than 18m people. The tattered remnants of the KMT led by Chiang Kai Shek fled to Taiwan when they were defeated and ousted by the Communists in 1949. Their island outpost is all that remains of their Chinese empire. But they still dream of returning to the mainland in triumph.

The two regimes have gone their very different ways. China developed a Communist system, shunned the world for 20 years and got on often brutally with the task of organising, feeding and clothing a vast population torn apart by warlordism and class divisions. To a large extent it succeeded, though at the cost of inflicting the full miseries of the State on anyone who refused to toe the party line.

In the last 10 years, China has opened up to the rest of the world, acknowledged some of the mistakes of too much central direction, and sought foreign assistance in modernising. But there is a long way to go—per capita income in China is still only about $250 a year.

Taiwan has leapt far ahead following a capitalist system. Its trade is higher than China's. Its products, especially electronics and textile goods, have world-wide markets. After real growth of 9 per cent a year in the 1960s and 10 per cent in the 1970s, per capita income is about $2,200 a year or eight times that of China.

Taipei, the capital of the island, is a modern traffic-clogged city with prosperous shops and brightly modern fashion-conscious people. It is not pretty, being too cluttered and so polluted that people are increasingly wearing gauze masks as they did in Tokyo 15 years ago; but it is a world away from the bicycle-driven cities across the straits of Formosa where the people are just growing out of their ugly uniform Mao suits.

To a simple mind it might seem the easiest solution to the problem of the two Chinas would be to let them continue their separate identities. After all, Taiwan is physically separate from the mainland, and the island (sometimes called Formosa) has been in and out of the Chinese empire in the past.

The problem is that neither side wants this. There is only one China. To the Communists, their victory is incomplete without Taiwan. To the Nationalists there is still the hungry dream of going back to China, proper China, to their own country.

A young publisher in Taipei, out of step with many of the ideals of the rulers of the country, said: "If I were given a choice of staying here or going back to Communist China, I would emigrate to America. But it would be an exile."

Squeezed between the two Chinas

Both the Nationalists and the Communists claim descent from Dr Sun Yat Sen, the founder of the First Republic, who never lived to see his united China come true. Communists and Nationalists are like brothers who quarrelled over the inheritance, fought and vowed never to speak to each other again. But now the Communists are prepared to talk. They are, after all, brothers. And China, proper China, is a family inheritance.

The Taiwanese themselves, who are 85 per cent of the people on Taiwan, in a sense have no choice. They are squeezed between the two Chinas. If the Nationalists did not rule them, the Communists would.

The KMT rulers, like the Communists, have a low tolerance point of dissent. But in recent years, KMT ranks have been broadened, membership has increased to about 1.8m, of whom half are Taiwanese.

Native Han Taiwanese also dominate industry, form most of the security forces, apart from the top leadership, who are ex-mainlanders, and have a good share of the technocratic posts. For all these reasons, the issue of Taiwanese independence has been pushed to the background. There is a small group who would still like to be free of both the Communists and the KMT, but most Taiwanese know which side fills their rice bowls.

Marshal Ye Jianying, China's nominal Head of State, promised that not only could Taiwan retain its autonomy but would share top Government posts in China itself. He added that if Taiwan was in economic difficulties, China would give it aid —which brought a scornful cartoon in Taipei showing a patched-up tramp on a bicycle asking a besuited and bemused motorist in a swanky sports car, "Hey do you want some financial aid?"

Marshal Ye was one of the leaders when Nationalists and Communists agreed to bury their differences to fight the Japanese invaders 50 years ago. Some of the old guard of the KMT might be sorely tempted by any chance of going back to China with honour. The Marshal's praise in making his offer of "glory to our ancestors" was a cleverly evocative way of appealing to the common bond of family duty and Chinese loyalty.

But for all the blandishments from Peking, the Taiwan Government has no option but to reject the idea of talks. President Chiang demanded that Peking abandon communism and accept Sun Yat Sen's "san min chui"—three principles of the people, nationalism, democracy and social well-being.

It would be political suicide for the KMT even to think of striking a deal with the Communists: "the Taiwanese would be scared out of their minds that they were being sold down the river and there would be serious danger of a revolt," said the publisher. A Taiwan university teacher said: "We don't want Communists spoiling what we have built up here."

Another common reason for rejection is that the Chinese cannot be trusted. "Even if Deng Xiaoping and Marshal Ye are sincere, who can tell how long they will last?" said a government official.

Behind the hard and scared consistent line of rejection is a message to Deng to try again in 10 or 15 years if he is still sincere and if he is still alive.

It is not easy to see any quick solution to the problem of the two Chinas or the separated brothers. Militarily, China has more men, but military analysts say that Peking would suffer heavy punishment if it tried to invade across the Straits of Formosa. Taiwan has about 450,000 men under arms, almost as many as a much bigger country like Pakistan.

"In any case," boasted a Taiwan official, "we would have plenty of warning, possibly as much as two years, as the mainlanders do not have the facilities like ports and ships to mount an invasion." China has nuclear capacity, but it is thought unlikely the Chinese would want to kill their countrymen in this way. For the same reasons Taiwan has developed nuclear power but not military weapons.

But as Generalissimo Chiang Kai Shek, the father of the present president, once said, the struggle for China would be only 30 per cent military and 70 per cent diplomatic.

Diplomatically, China is well ahead. Taiwan has been puzzled and angered over the last few years as former friends deserted and recognised Communist China instead of Taiwan so that the latter is now left with a rump of just over 20 countries which recognise it, including Saudi Arabia, South Africa, South Korea and such powers of the world as the Dominican Republic, El Salvador, Guatemala, Haiti, and Nicaragua.

The biggest diplomatic blow came when President Jimmy Carter transferred recognition to Peking. He has never been forgiven. But some officials grudgingly admit that the American move could have been a blessing in disguise. Perhaps it was good that Carter cut the umbilical cord," conceded a senior official, "after all babies can only grow and develop when the cord has been cut.

Oil dependence will continue

Shirley W. Y. Kuo, deputy governor of the Central Bank, added, "No less than 150 countries have trade relations with us. They do not do this out of mercy but because it is in their own interests."

Many KMT supporters fear that the real target of China's wooing is not Taiwan but Washington, in the hope of persuading President Reagan not to supply advanced fighter aircraft and generally to put pressure on Taipei.

Economically, Taiwan also is vulnerable. It is heavily dependent on oil, 80 per cent of which is supplied by Saudi Arabia and Kuwait. The country is diversifying and trying to use more coal and nuclear power and less oil, but even so will have to import almost 70 per cent more oil per day in 1990 than it does today.

Taiwan's great growth has been heavily dependent on exports which today are about 50 per cent of GDP. According to the Ten Year Plan this dependence is expected to grow and reach 82 per cent by 1989.

Taiwan is busy pushing up market to produce higher technology products. The American Institute in Taiwan (the unofficial U.S. representation in Taipei) said in a recent summary of economic trends: "Taiwan will begin to compete with the U.S. in high technology exports when its policy of stimulating technology-intensive industries begins to have some concrete results." It estimated that this would be five to 10 years away.

The island has no option but to move to higher and higher technology. It is already proving a magnet for European and American electronics investment, having the edge over other Far Eastern rivals.

Trade between Taiwan and China this year will probably top US$500m, most of it using Hong Kong as an entrepot. Taiwan officially forbids direct dealings under pain of heavy punishment, being almost paranoically afraid that if it sells to China, far from demonstrating the superiority of its system, it will give China power to cut off its markets.

Indeed the temptation of China for Taiwan might be the huge size of the market on the mainland and the potential for profitable dealings between Chinese brothers.

The Government has been powerless to stop indirect trading, principally in textiles and electronics, but it has tried to limit it to no more than 5 per cent of the market. Tatung televisions, for example, are among the goods freely available in China. The chairman of Tatung, the island's largest electronics company with an annual turnover of $700m, is Mr Lin Ting Sheng, a Taiwanese, a leading member of the KMT and Speaker of the Taipei City Council.

For the moment, officials in Taiwan are self righteously and rigidly opposed to any dealings with China and say they still will not consider even the exchange of mail or telephone links for fear of subversion.

Not all the younger people have quite the same rigid hostility. Some commentators see a way forward as the old guard of the KMT die off, as suspicions decline, trade increases and outside contacts grow through scientific gatherings and sporting and other links. Then in five or 10 or 15 years, it may be possible to re-examine the Chinese offer if China is still serious.

If by then the little island is still growing fast and China continues to be bogged down by the clumsiness of the Communist system, then the Chinese brothers may be able to get together more as equals without fear.

For a Westerner it may seem a long way off. But the Chinese are more patient and think in dynasties, not years.

Men & Matters

That's the way the money goes

The lights dimmed, the band struck up, and on came the dancing girls. The packed audience beamed and whooped. When their high-kicking, singing routine was over, the Master of Ceremonies strode to the footlights to whip up a lively welcome for the star of the star of the show. More applause, the band launched into "We're in the money," a spotlight probed the wings, and into its dazzling beam strode—54-year-old, bald, bespectacled Paul Volcker, chairman of the U.S. Federal Reserve Board.

The American Bankers Association annual shindig in San Francisco this week might have been staged by Radio City Music Hall for the scant regard it paid to banking's solemn calling (even Volcker apologised for not appearing dressed in tassels).

With 13,500 registrants, ABA officials claimed it set a new world record for the number of bankers assembled under one roof, to say nothing of the wives, media representatives and other hangers-on who crowded the halls and poured millions into the coffers of San Francisco's hotels, restaurants, nightclubs and shops. One registrant confided to my man on the spot that he had attended 54 receptions in four days, starting on one day with a gin fizz breakfast at 7.30 and ending up at a midnight disco thrown by a large New York bank.

"It's pleasure first and business, er, fifth," he said as he was whisked off to a lunch at a California winery 20 miles north of the city.

The Citibanks, Chases and Manny Hannies were all there. But even their mighty teams were swamped by the thousands of small town bankers who had rolled in from the hills of Appalachia, the plains of the Mid-West and the furthest flung corners of the largest banking market in the world. Big and little, fat and thin, the last thing they could do was agree on the burning issue of where interest rates are heading.

Maybe that was why briskest business at the trade exhibition next door was not being done by the marketers of newfangled banking gadgetry, but by a couple of beady-eyed old crones who were reading palms and consulting astrological charts for anxious looking executives in pin-striped suits.

"It will soon be cheaper to travel from Guildford to London, via New York!"

Lamb's tails

"I guess I'm just a pushover for entrepreneurial Australians," says Sir Larry Lamb who, after resigning from Rupert Murdoch's News Group, is flying down-under to join Robert Holmes à Court in building a rival media empire.

Lamb, the man who put the shine into Murdoch's Sun—and got a reputed £250,000 pay-off—is to become deputy chairman and editor-in-chief of à Court's Western Mail, a new, small and indifferent quality weekly in Perth.

But à Court is known to have ambitious plans to expand his media interests. His Bell group already controls television stations in Perth and Adelaide as well as having a major stake in Australia's Herald and Weekly Times and John Fairfax.

Lamb would not be drawn into talking about his role yesterday but he is expected to be closely involved in all the Bell group's media projects. Among the more immediate being widely canvassed are a restructuring of the group to combine the newspaper and television interests and the launching of a new daily in Western Australia.

A Court, who turned up in London last month as a major shareholder in Lord Grade's ACC, has fought and lost one takeover battle with Murdoch—for Ansett Airlines—and is said to have considered putting in a bid for The Times. Though the Bell group has no newspapers in direct competition with those of Murdoch, further conflict cannot be far away.

Baker's round

Just as I predicted, the Social Democrats' political tolerance is indeed being sorely tested by Francis Noel-Baker, one-time Labour MP, now an SDP convert and concurrent card-carrier for the Liberal and Ecology parties.

Completing his trip across the political spectrum, Noel-Baker has produced a "Dictionary for Democrats" (available under glossy cover, price £1) as a personal contribution to filling any remaining gaps in SDP policy.

"A football to kick around," he modestly described it yesterday. And the SDP hierarchy promptly kicked it off their London conference bookstall. For Noel-Baker's ideas are not quite those it regards as vote-catchers.

He calls for compulsory national service, perhaps for girls as well as boys.

At the same time, compulsory free education should be ended and higher education cut back. Far too many stupid young people go to university only to end with chips on their shoulders and then become a pain in the neck to their parents, he says.

Noel-Baker would abolish overtime and bring in foreign managers for Britain's co-ops. He also has quite a lot to say about sex and marriage. Wedlock may be out of fashion, he agrees, but any couple with an illegitimate child should be pressed into matrimony.

Benn, Tony gets a separate entry in the dictionary. More surprisingly, so does Cyprus where Noel-Baker runs a fishing company. It is time, he says, that Britain helped "the lovely people of this charming island to live in peace."

Some were suggesting yesterday that Noel-Baker might do the same for the SDP and Britain by returning to his duties as president of the Union of Forest Owners of Greece.

Ground rules

Inscribed on the wall of a Cambridge college: "The meek shall inherit the earth. But the strong shall retain the mineral rights."

Observer

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POLITICS TODAY

A little too good to be true

By Malcolm Rutherford

MR ROY JENKINS will make a major speech in London this morning on the approach to economic policy of the Social Democratic Party. It needs to be good.

For if there is one thing still in doubt about the new party, it is whether it has any depth. Over the peregrinations of the past few days—from London to Perth to Bradford and back—the SDP has shown that it has an eye for novelty, a certain talent for organisation and an ability to tap idealism among people either disillusioned with the two main parties or previously outside politics altogether.

But there is still an overriding impression that the jazz band chosen for the fringe activities in Perth got off on the right note: when it played as one of its opening numbers "I can't give you anything but love."

The charge that the new party has no policies is not quite fair. In fact, it has policies galore. *Most of them belong to the past.* There was Mr William Rodgers, the former Labour minister, in Perth advocating a policy of backing winners and a resurrection of the National Enterprise Board.

Some of the approaches are new. There was Mr Rodgers again echoing the original Thatcherite populism: "When the *telephone begins to crackle,* you do not look forward to the enthusiastic engineer coming to repair it in a few hours' time. You wait for days and days . . . The anonymous bureaucratic nationalised industries must go." All that to great applause.

A new approach to trades unions

There is, too, a new approach to the trades unions: for example, the proposal that union members should be allowed to decide not only whether they should pay the political levy, but also to which party they wanted it to go.

Policy approaches, however, are one thing; it is a different matter when it comes to application. The SDP is soon going to be obliged to say what it would do about particular issues. Take the miners' pay claim. The *unions want around 25 per cent.* The National Coal Board has offered 9 per cent. The SDP leadership tends to think that anything above 4 per cent would be excessive. But how do you put that into practice and how does the nice party — some *people call it the happy party*— go on winning support if some of the medicines it offers are really pretty nasty, *at least in* the short- to medium-term?

At present, it is not much of a problem. The SDP has no responsibility. But you cannot avoid the thought that we have been here before. It seems like *only yesterday that people were* flocking to warm their hands on the white heat of Harold Wilson's technological revolution or Mr Edward Heath — to whom we shall return — was offering a new style of government. *Mrs Thatcher's* counterrevolution came out of the same mould of promising a new start.

The new politics contains much of the old. Essentially it is a reversion to Butskellism—the idea that in the end sensible people more or less agree where *they are going* — plus a tinge *of* early Thatcherism, the promise of a radical revolt *against* bureaucracy and the power of *the state.* There is *also a touch of religious revivalism* in the way that the party wins converts: *the use of the* word "defector" is now officially discouraged.

Mrs Shirley Williams has called it Britain's "last best hope": at least, that is, until we think of another. It sounds *a bit like Latin America.* The next regime may be better; meanwhile life goes on. The precipice, over which nations in decline are supposed to fall, does not exist.

Still, something is happening. There is a term in defence studies known as the action-reaction *phenomenon* (ARP). One super-power reacts to the proposed new weapons system of the other by building one of its own, yet more advanced and so the cycle continues. The term applies equally to our new multi-party political system. The old parties are bound to *take note of what the new party* is doing.

The starting point was probably the discovery that there is *life outside London.* Mr Jenkins says that he discovered it in the by-election at Warrington *in July.* Mrs Thatcher obviously sensed it earlier but it was only the riots in Toxteth that persuaded her to send a Cabinet Minister to do something about it.

Fish and chips for the happy party

Hugh Routledge

The Social Democrats deliberately held their first conferences in Perth and Bradford to show that they were not exclusively metropolitan and so *far the strategy appears to be* paying off. The Scots were distinctly flattered to receive such attention. Some of them went to the rostrum to say little more than that.

And yet discovering provincial life *can be something of a* shock. It is rather pleasant and relaxed. The bulk of the people are neither downtrodden nor particularly embittered. The towns are full of new shopping centres and foreign restaurants.

Of course, it is different for the unemployed.

But what you see on the *whole is not an unhappy country.* On the contrary, there is a surprising level of affluence. At a time when it is being said in London that the old politics have failed, the evidence from much of the rest of Britain is a tribute to their success. It is an incomparably different place from 20 years ago, even if the growth rate has been slower than in continental Europe.

It will be vitally important for any party that wants to win an election to get the mood of Britain right. At present, the SDP is beginning to find out what it is. The other parties *will no doubt follow* and the holding of the odd by-election will help. For instance, the discovery that Warrington was a civilised town with—until the recent unemployment — a highly diversified economy was a political revelation. But there is very little evidence that the mood is particularly radical; nor of the north-south gap: the *gaps between rich and poor,* between privileged and disadvantaged are just as apparent within the north.

It is said of the SDP that its support so far is predominantly middle class. Yet that can *hardly be a criticism.* About 80 per cent of the population now considers itself middle class, which is again a sign of the cultural and social revolution achieved under the old politics. If the new party can pick up even half the middle class vote, it will sweep the country.

A closer look reveals, however, that its appeal concentrates on certain types of people. One is undoubtedly a group which has *never* been much interested in politics before. It is surprising to find so many of them. They are attracted by *the idea of a new,* clean party that claims to have no interest in ideology for its own sake and is opposed to political slanging matches.

Their knowledge of the political scene is limited. Mr Christopher Brocklebank-Fowler, the only convert from the Tory *back benches* so far, referred to TINA, a nickname for Mrs Thatcher, then spelled it out: "There is no alternative." The audience greeted it as an *original joke.*

Yet there are again certain themes that are almost guaranteed *a cheer. One is any criticism* of the cuts in the grants to the technical universities, such as Salford and Aston. Another is any reference to the alliance with the Liberals or partnership of any form whatsoever. It is clear that it is the very idea of the alliance which attracts because that again is a departure from adversary politics.

The battle which Mr Jenkins will almost certainly lose is on the method of choosing a leader in Parliament. He would prefer it to be done by Social Democratic MPs, but the membership believes that it has already been offered one member one vote, and that is why part of it is there.

It remains that the big battles are still ahead. The party welcomed the devastating attack *by Mr Heath this week* on Mrs Thatcher's economic policies, but has no hopes of his crossing over. His turn will come, they say, *in a* hung Parliament after the general election. Meanwhile, there is some concern that there appear to be no other Tory defectors.

By far the most notable recruit in the past few days was *Mr Tom McNally, the former* Labour MP and adviser to Mr James Callaghan. It was he who made the most weighty remark of the Bradford conference when he referred to "the tragedy in Cairo" and the "madness and irresponsibility" of suggesting to the British people in the turbulence of the 1980s a policy that would cut us *off from our closest allies* economically and in security terms. There could have been no sharper attack on his old *colleagues* than that. Mr McNally adds a new dimension to the SDP.

Little analysis of the past

And yet the question one would like to see the party *asking is: what went wrong* before? There is remarkably little analysis of the past. If things have gone so badly awry in Britain, why? It cannot be simply the absence of proportional representation. There have been high hopes before, only to be dashed. The SDP almost asks us to believe that all recent British govern*ments were led either by fools* or knaves.

That is why one remains sceptical. The SDP is a little too good to be true. It is also why one awaits Mr Jenkins's speech today with interest. It is time to return to the real world of dealing with interest rates and a fluctuating pound.

Lombard

The dangers of Reaganomics

By David Lascelles in New York

THE LEAST any scientist who conducts dangerous experiments in his basement can do to appease his neighbours is to make sure his walls are strong, particularly if he occupies the largest building on the block.

The analogy may be a bit alarming, but there are obviously plenty of people who think it applies to President *Ronald Reagan. His refusal to* shield the rest of the world from the consequences of his experiment with economics (reaffirmed in no uncertain terms at the IMF meeting by Mr Donald Regan, his Treasury Secretary), by intervening on the foreign exchange markets, has attracted a lot of hostile comment, not least from Mr Gordon *Richardson, Governor of the* Bank of England, and Sir Geoffrey Howe, the British Chancellor, who necessarily have to couch their criticism in diplomatic terms.

A blunter approach is taken *by Mr Fred Bergsten, one of the* bright young men of the Carter Administration (he was Assistant Treasury Secretary for international affairs), who has just published what might almost be described as an apocalyptic view of what uncontained Reaganomics could do to the rest of the world.

$ see-saw

Writing in the latest issue of "Foreign Policy," he says that Mr Reagan's combination of tight *money and loose budget* is bound to keep U.S. interest rates high for some time to come, which will be bad enough domestically, but the effects will be transmitted directly on to world markets via a wildly see-sawing dollar, which the Administration will do nothing to stop. In the first phase (now, in fact) he sees the dollar riding *high and damaging U.S. export* competitiveness to such a large extent that large trade deficits will occur to 1983 and beyond. Sooner or later, he predicts, this will cause a crisis of confidence in the dollar, which will send it crashing down again (echoes of sterling's rise and fall).

In the U.S., these gyrations will lead first to recession (and possibly calls for trade protection), followed by a new surge in inflation, but abroad the consequences could be a lot more severe. High dollar yields will sharpen the interest rate war, as other countries try to stem the outflow of capital. Economic difficulties will mount and *foreign governments* will be forced to reflate by raising public spending (as in France), or doing other things which bring short-run benefits but only rekindle inflation in the long term. Defence budgets, of course, will suffer.

Tensions

In short, Mr Bergsten thinks that the inevitable consequence of Reaganomics is a slowdown in world economic growth, with all the attendant social and political tensions, and he concludes: "Current U.S. policy probably represents a greater immediate threat to U.S. global interests in both Western Europe and the developing world than do the Soviets or anybody else."

We are not obliged to accept this alarming analysis, but there is obviously enough risk in what Mr Reagan is trying to do to make it unfortunate that he refuses to put some padding between the U.S. and the rest of the world by limiting the dollar's sharper movements (except in emergencies, and that may be too late).

Perhaps he thinks it would look like an admission of doubt in his own policies. And maybe he is right. But he should remember that his hard-pressed commercial partners would be deeply relieved if he did, and might even show a little more sympathy for his game plan. It *seems strange that just as U.S.* foreign considerations have begun to weigh more heavily in the Washington balance (European defence, trade, aid), the Administration should have voluntarily adopted a foreign exchange policy that will do the exact opposite of winning friends and influencing people.

Letters to the Editor

Britain's trade with the Common Market

From Mr Hugh Dykes, MP

Sir,—As regards Britain's trade with Western Europe, we should get a few facts straight.

Nearly 60 per cent of all Britain's exports now go to Western Europe; a dramatic change in the pattern of our overseas trade during the past 20 years. In 1960, 34 per cent of Britain's exports went to the Commonwealth; in 1980 this was down to 13 per cent. During the same period the proportion of Britain's *exports* going to Western Europe increased from 34 per cent to 58 per cent.

Britain depends on external trade more than any other *major industrialised country.* Our performance in Western Europe is vital to our future economic success. The market in *the rest of Western Europe* has five times the population of the UK and about six times the buying power. High levels of industrial development have been achieved and in most countries the per capita gross domestic product is higher than it is in the UK. These countries are *huge importers* of goods of every description; last year the rest of Western Europe imported well over £300bn-worth of goods.

In trade terms the whole of Western Europe is one huge *practically tariff-free* market. Excluding the UK, the market adds up to about £650bn a year. It is linked to EFTA countries and Spain.

Although the proportion of Britain's trade with Western *Europe has been increasing,* however (and in 1980 our overall visible trade with Western Europe was in *surplus* for the first time in 10 years), our share of the individual markets is in many cases *less* than that of our major European competitors. For example, West Germany is now our largest single export market. In 1980, though, we provided no more than 6½ per cent of her total imports of £80bn. The Netherlands provided 12 per cent, France 11 per cent, and Italy 8 per cent. In France, Britain's *share of imports* in 1980 was 5½ per cent of total imports of £58bn. For West Germany this figure was 16 per cent and Italy was 9½ per cent. In Italy we provided only 4½ per cent of *imports* of £43bn; Germany *provided* 17 per cent and France 14 per cent.

There is only one unavoidable conclusion: the markets of Western Europe *still* hold tremendous potential for UK exporters. It is one of the reasons for our membership of the EEC.

Hugh Dykes.
House of Commons.

Index-linked stocks

From the Research Actuary, The Standard Life Assurance Company.

Sir,—Money interest rates, *both short and long term, have* risen to about 16 per cent, and yields on ordinary shares are up to about 6.5 per cent. Yet real interest rates, as evidenced by the yields on the two index-linked Government stocks, *remain at about 3 per cent.* Presumably the former yields have risen because the market has changed its assessment of future inflation and of business profits.

If the Government is confident of its own *inflation* strategy, now is an excellent time for it to issue more index-*linked stocks,* and even to buy in its fixed money stocks at bargain prices.

Further, now is the time to make index-linked stocks available to all, not just privileged pension funds and insurance companies. The exchange rate is no longer a constraint; indeed, it would be better to support the exchange rate by allowing *overseas holders to buy* index-linked stocks than by pushing up fixed money interest rates.

David Wilkie.
P.O. Box 62,
3, George Street, Edinburgh.

Health of the corporate sector

From Mr Michael Hughes

Sir,—Anatole Kaletsky's in*terpretation of the results of* the FT Business Opinion Survey (October 5) seems to be unduly pessimistic.

In particular he suggests that "profit margins may be improving (but) to unsatisfactory levels."

An examination of these Survey results over a longer *time span than implied* by his report suggests a more positive conclusion. The balance of respondents expecting profit margins to increase rather than to fall is now higher than in the years 1978 and 1979 when economic growth was last positive. In fact only 24 of the last 120 monthly observations for this series have shown a more encouraging outturn, and most of these were to be found in the boom years of 1971 and 1972.

Similarly the statement that "there is no significant upturn in demand led by industrial stockbuilding" is by no means certain from these Survey results. Admittedly the level of business confidence fell sharply in September but its new level is *not significantly* lower than the average for the last 10 years and still represents a major improvement on the levels of a year ago. Perhaps partly because of this, and the improvement in expectations for profits, the percentage of respondents expecting to increase their stocks over the coming year over those planning a reduction is again above *the average for the last 10* years, which represents a significant turnaround over the last 12 months.

While these Surveys cannot provide a complete picture they nevertheless offer more optimistic evidence of the state of the corporate sector than is generally reported.

Michael Hughes.
de Zoete and Bevan,
25, Finsbury Circus, EC2.

Keeping the trains running on time

From the Director-General, The Chartered Institute of Transport

Sir,—Those concerned with professionalism in transport and the education of transport managers on a multi-modal basis will deeply regret the impending closure of that unique establishment, the British Transport Staff College (your *report of* October 2).

My institute has close links with the college and while fully understanding the reasons behind the decision we believe a serious gap will be opened in the facilities for advanced professional transport education notwithstanding the fact that other institutions cater, per se, for "*Management* training."

There have been strenuous efforts by British Railways Board and others — notably the Chairman of London Transport — to find ways to save the BTSC and I pay tribute to these efforts. However, two particular *aspects may be mentioned.* First, that transport is so important to economic life and will become increasingly so in *the future,* that it must be even more professionally managed than in the past — and this calls for highly informed and "educated" transport managers. Second, in the use made of the college by other coun*tries — particularly developing nations* — many of whom look to the United Kingdom for the special type of instruction provided by the BTSC. They will now be forced to go elsewhere — to Europe or the USA — for *piecemeal training* and our influence must thereby diminish and also, to some extent, our standing as a source of exports in the transport field.

I wish my institute had the resources — even in conjunction with others — to absorb and carry out the work of the BTSC for as your report says it *is "the only one of its kind in the world"* and its retention, I submit, would therefore be in the national interest. The obvious solution would be for the college to be endowed as a charitable educational trust, for I am convinced it could be profitable in operation, but to be realistic I do not see how or *where this money* could be found. Even so I believe it right, sir, to bring to the attention of your readers the more important implications of this impending closure.

D. N. Locke.
80, Portland Place, W1.

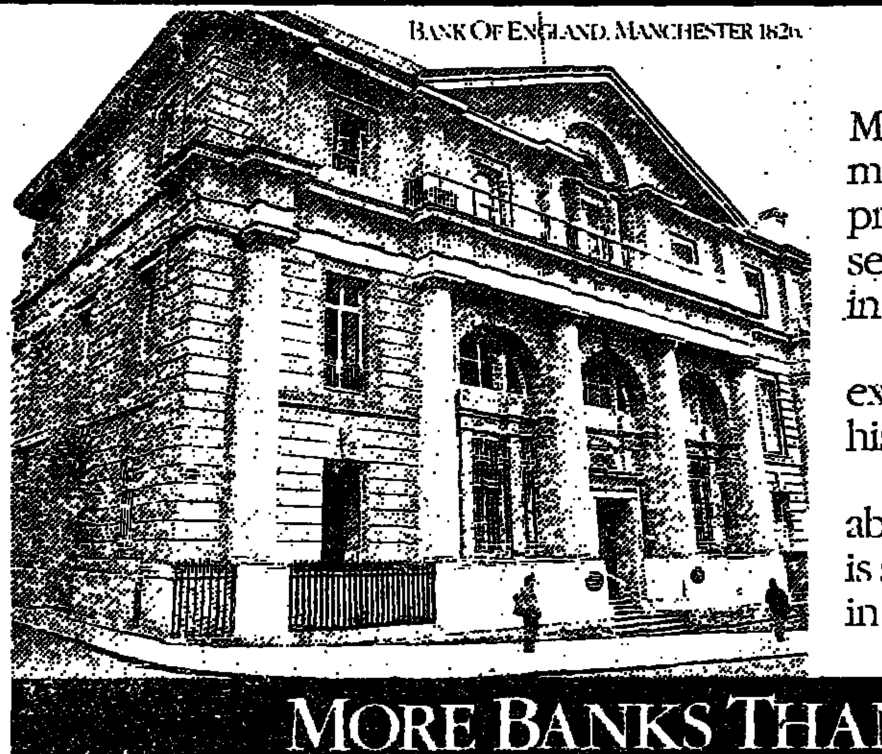
Art dealers and fair trading

From Mr Hugh Leggatt

Sir,—Mr David Mason (October 6) draws attention to the settlement between the art dealers and Christie's and Sotheby's over the 10 per cent auctioneers buyer's premium. Mr Mason is concerned at what appears to be a total *surrender* by the art trade organisations (of which I am not a member) without any obvious concessions in exchange.

May I also add my bewilderment at the apparent lack of interest by the Office of Fair Trading? If this department's silence continues over such a *controversial issue, which* affects not only the art trade but also our museums and galleries and the public at large, could not Treasury ministers take a long hard look at the OFT's future when they are considering further financial economies?

Hugh Leggatt,
Leggatt Brothers,
17, Duke Street, SW1.

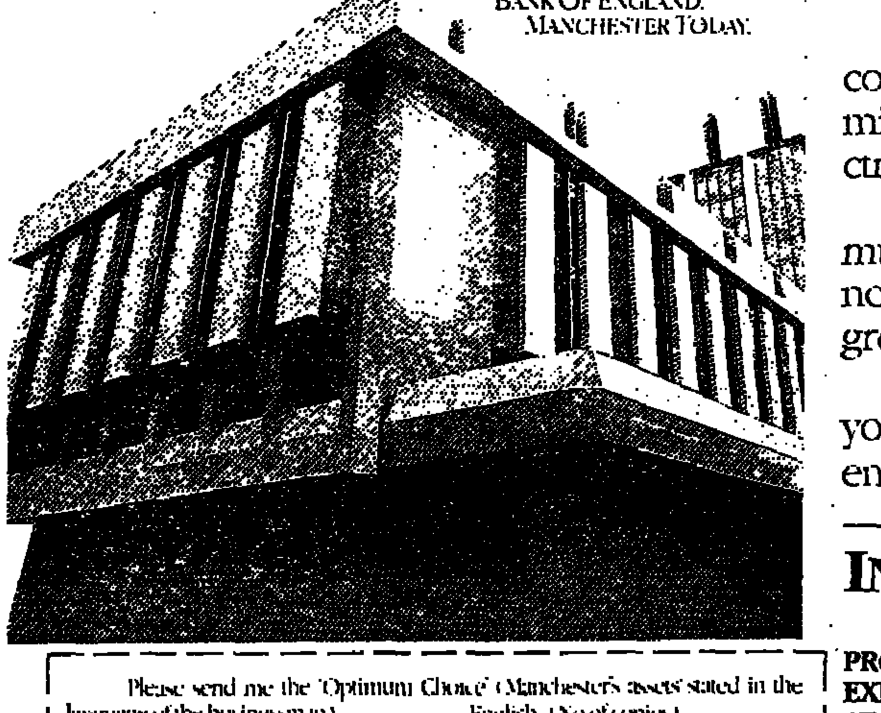


In fact, the City of Manchester has more finance, more insurance, more media, professional and business services than anywhere else in the UK outside London.

More solid commercial experience, too, for sound historical reasons.

The spirit that brought about the industrial revolution is still alive today, and not just in the banks.

MORE BANKS THAN ANY BRITISH CITY OUTSIDE THE CITY.



Manchester, first with the computer and the electron microscope, has a lively electronics presence.

Manchester's was the first municipal airport in Britain—now it's Europe's fastest growing.

It's a city whose enterprise you can bank on for your own enterprise.

INVITATION

TO VISIT THE MANCHESTER PROPERTY CONFERENCE AND EXHIBITION, 21st OCTOBER, 1981, AT THE ROYAL INSTITUTION OF CHARTERED SURVEYORS, PARLIAMENT SQUARE, WESTMINSTER —KEY-NOTE SPEAKER RONALD LYON— PLEASE RING (061) 236 3377, EXT. 327.

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To: Jack Hadwen, M Inst M, Director, Industrial Development, Town Hall, Manchester M60 2LA

City of Manchester

ALGEMENE BANK NEDERLAND/ALLIED IRISH/AMERICAN EXPRESS BANK/ANZ BANK/ARBUTHNOT LATHAM/BANK HAPOALIM/BANK OF AMERICA/BANK OF BARODA/BANK OF CHINA/BANK OF CREDIT & COMMERCE INTERNATIONAL/BANK OF ENGLAND/BANK OF INDIA/BANK OF IRELAND/BANK OF NOVA SCOTIA/BANQUE NATIONALE DE PARIS/BANKERS TRUST/BARCLAYS INTERNATIONAL/BARCLAYS TRUST/CITIBANK FINANCIAL TRUST/CO-OPERATIVE BANK/COUNTY INDUSTRIAL & COMMERCIAL FINANCE/FORWARD TRUST/HILL SAMUEL/HONG KONG & SHANGHAI/LEWIS'S BANK/LLOYDS INTERNATIONAL/LOMBARD NORTH CENTRAL/MIDLAND BANK TRUST CO/SAMUEL MONTAGU/NATIONAL BANK OF PAKISTAN/NATIONAL WESTMINSTER/OVERSEAS/N M ROTHSCHILD & SONS/SCHLESINGER/SLAVENBURG'S BANK/SOCIETE GENERALE/SOMALI BANK/STANDARD CHARTERED/TRUSTEE SAVINGS BANK/UNITED DOMINIONS TRUST/WILLIAMS & GLYN'S/YORKSHIRE BANK FINANCE

Minet up 46% midway

BOOSTED by exchange gains and a jump in broking profits, the pre-tax surplus of Minet Holdings, Lloyd's and general insurance concern, expanded by 46 per cent from £3.97m to £5.81m for the first half of 1981.

Mr J. Wallrock, chairman, says the favourable factors have continued and assuming no material deterioration in the rest of the year, progress should be maintained. Profits for the whole of 1980 were £8.68m pre-tax.

Stated first half earnings were 5.94p (4.18p) per 20p share and the interim dividend is lifted to 3.01p (2.8p) net—last year's total was 4.55p.

Broking profits amounted to £4.04m (£1.4m) and more than offset a downturn in the underwriting surplus from £2.7m to £2.11m. Profits of other activities were £101,000 (£25,000) and net expenses took £444,000 (£149,000 credit).

Exchange rates, favourable to the group for the first time since 1976, produced a credit of £1m for the six months

Mr Wallrock says that results were enhanced by the benefit of the cost containment programme entered into in the second half of last year.

Turnover advanced from £17.81m to £20.75m and profits—struck last time after an exceptional debit of £299,000—were subject to tax of £2.77m against £1.83m.

After minorities, £36,000 (£39,000) and an extraordinary debit of £20,000 (£468,000 credit), the attributable balance emerged at £2.99m, compared with £2.58m. Dividends will absorb £1.53m (£1.41m) leaving £1.47m (£1.17m).

See Lex

Receivers for General Foam Products

At the invitation of General Foam Products of North Shields, Tyne and Wear, its bankers have appointed Mr J. A. Wardropper and Mr R. E. Gray of accountants Peat Marwick Mitchell as joint receivers and managers.

They took up their appointment yesterday and have started an investigation to assess the company's prospects and viability. In the meantime they intend to continue the business as usual.

HIGHLIGHTS

Lex looks at the financial markets. The further decline in short-term interest rates around the world, in particular the cut in the Lombard rate by Germany's Bundesbank, comes in for examination as well as the situation in the bond markets which are being affected by a flood of new issues in the Eurodollar sector. Lex then moves on to consider the shape of the rights issue queue now that the equity market seems to have reached a more stable level. Finally the column looks at the figures from insurance broker Minet where half-time profits rose from just under £4m pre-tax to £5.8m. On the inside pages there is news that Société Financière Européenne SFE/Luxembourg and Craigmount have agreed in principle for a deal whereby SFE will acquire 70 per cent of Craigmount.

Positive action keeps Photo-Me profits steady

THE POLICY of expansion adopted during the past two years by Photo-Me International *has counter-acted the effects of* the recession, say the directors, and pre-tax profits for the year to April 30 1981 showed only a slight fall from £2.29m to £2.16m. Turnover rose from £25.89m to £27.44m.

The final dividend is unchanged at 6.3p for a same-again total of 9.45p.

The level of pre-tax profits was affected by the relative strength of sterling against some European currencies, the radical reorganisation of a subsidiary and the delay in advancing selling prices to avoid intensifying the effects of the recession.

The directors say the prospects for the current year and the future are encouraging.

There was a tax credit this time of £143,414 against a charge of £1.17m, and after minorities of £308,867 (£306,515) and extraordinary debits of £9,895 (£581,072), attributable profits came out at £1.98m (£225,640).

Dividends again absorb £198,450, leaving retained profits up from £27,190 to £1.78m.

Stated earnings per 50p share have risen substantially from 38.41p to 94.91p.

The extraordinary debit of £9,895 (£100,769) results from exchange adjustments on opening revenue reserves—last time there was also a total of £480,303, being the amount written off investments in subsidiary companies being goodwill arising on consolidation.

The group manufacture, operate and sell automatic coin-operated photographic vending machines.

Mining Supplies optimism

MR ARTHUR SNIPE, chairman of Mining Supplies told yesterday's annual meeting in Doncaster that the company had maintained a good level of turnover and profits.

He said exports had increased for mining equipment and the present order book was made up mainly of export orders and enquiries were quite strong which suggested an increased level of business in those areas.

Mr Snipe added: "The UK mining business has continued in a depressed state and there is no sign at the present time of an upturn in demand. It would be wrong to anticipate any dramatic change in the position during the current period."

Shareholders entering the meeting were met by pickets from the Laurence Scott factory which Mining Supplies took over and then closed. There was a loss of 650 jobs. The Laurence Scott group incurred losses of £1.8m in the seven months from the date of acquisition.

DRG completes acquisition

Calendars and Diaries of Bristol, the company formed to acquire the diary and calendar subsidiary of Dickinson Robinson Group, has completed the £2.8m acquisition with financial help from a consortium led by ICFC. Other members are County Bank, Gresham Trust and the Post Office Pension Fund.

The deal represents another management buy-out, and Calendars and Diaries is headed by the former assistant general manager of DRG Calendars and Diaries, Mr Chris Britton. All the 145 members of the DRG Calendars workforce have been retained.

INTERIM STATEMENT

£'000	Unaudited 6 months to 30.6.81	30.6.80	Audited Year to 31.12.80
Turnover	12,296	13,346	25,868
Operating Profit	8,827	7,524	14,942
Investment Income	2,110	1,730	3,924
Profit before tax	10,937	9,254	18,866
Tax	5,618	4,733	9,649
Profit after tax before Extraordinary Item	5,319	4,521	9,217
Extraordinary Item	550	—	—
Profit Available	4,769	4,521	9,217
Dividends	—	—	5,178
Profit Retained	4,769	4,521	4,039
Earnings Per Share	10·6p	9·0p	18·4p

Production from the Argyll Field during the period totalled 2·15 million barrels compared with 3·02 million barrels during the same period of 1980. The Company's share of production is 28·8%.

The Argyll Field was shut down on 17th July 1981 for modification of the production platform. Production resumed on 7th September.

Two rigs are operating in the Argyll area; one an infill well and the other on an exploration well on the 'B' structure.

In the United States the Company has a 4·8% interest in an exploration joint venture. During the period 12 wells were completed of which 7 discovered oil or gas.

Copies of the Interim Statement may be obtained from The Secretary.
Cleveland House, 19 St. James's Square, London SW1Y 4LP.

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Hewden-Stuart holds payment as profits dive

A SLUMP in pre-tax profits was shown by Hewden-Stuart Plant, plant hirer and seller, for the six months to August 2, 1981. The results fell from £2.75m to £128,876. The interim dividend *has been maintained at 0.475p.*

The outlook for the second half in the company's traditional activities is poor and prospects for the winter months are depressing, say the directors. The recent rise in interest rates will lower the level of activity among customers.

In his last statement the chairman said that group budgets indicated a small profit in the half year to August 2. Conditions in the summer were much worse than anticipated and the normal strong seasonal uplift in activity did not occur. The recession resulted in rates and margins falling sharply to levels which at times bore no relationship to cost. Under these circumstances, sales dropped *sharply from £55m to £44m.*

Pipework interests had a good half year and saw a sharp improvement in orders, and activities in the Middle East continued to expand profitably. Progress in these and other areas will, to some extent, mitigate the downturn in traditional activities. In the first half the loss-making engineering companies were closed.

Borrowings which are strongly seasonal and which peaked at £27m in July 1980 have been reduced, and this year peaked at about £18m compared with shareholders' funds of nearly *£40m. The directors expect cash* flow to remain positive in the second half of the year. Cash flow per share was stated at 5.56p (8.51p).

Depreciation costs fell from £5.02m to £4.65m. Interest *charges* were lower at £1.3m (£2.36m). The debit for minorities last time of £197,752 turned to a credit of £122,651.

Tax was less at £179,290 (£185,985) and attributable profits emerged at £251,527 (£2.47m).

In the last full year the total dividend was 1.275p, which was paid from pre-tax profits of £3.11m on sales of £96m.

● **comment**

Such profits as Hewden-Stuart produced at the halfway stage were derived solely from pipework and Middle East operations, neither of which contributed in the comparable six months. The important earth moving and crane hire divisions are in significant loss after a heavy fall in turnover. The trading environment remains extremely difficult and the industry as a whole is undergoing enforced restructuring. (Receiverships are, of course, offering customers never to be repeated terms.) But Hewden is still generating positive cash flows and expects to continue doing so. The depreciation charge has fallen, quite obviously, as fleet renewal retrenches on a purely ad hoc basis, designed to meet specific opportunities. This suggests, however, that operating profits may actually be compensated as a growing proportion of the fleet becomes fully written off. The group has perhaps £2m of tax losses to cary forward against any prospective mainstream liability. The group *calculates that capacity* utilisation is running at between 50-60 per cent. rates have weakened materially and the industry's protection offered by minimum rates has long slipped away. But cannibalisation of parts is now said to be rife and Hewden maintains that a rising element of the national hire fleet will never be operable again. It looks for a rise in its spares sales operation as the prime recovery indicator. In the meantime, the interim dividend is held. the group sounds reasonably confident of the final so the yield is a sound 6.9 per cent at 27p.

J. Finlay up £0.44m midyear

TAXABLE PROFITS of James Finlay and Company, the international trader and financier, edged ahead from £5.43m to £5.87m in the first half of 1981 despite lower turnover of £45.44m, compared with £46.36m.

Tax for the half year took £1.76m (£1.72m) and after minorities and preference dividends of £825,000 (£465,000) the attributable balance emerged at £3.29m (£3.24m)—equal to stated earnings per share of 5.7p (same).

The directors anticipate lower profits for the full year from the plantation interests, but say these should again be compensated to a significant degree by improved results from the non-tea interests. Liquidity remains strong "with over £12m placed in the money markets at the moment."

For this reason they anticipate dividends for 1981 will be not less than the 4.167p net paid last year after allowing for the one-for-two scrip issue—the interim is effectively held at 2p per 25p share.

In line with previous interim reports, half-year figures relating to the plantation interests of subsidiary and associated companies in Bangladesh have been *omitted.* The directors explain that as harvesting of the crop does not usually commence, except spasmodically, until April, with sales six weeks or so later, the figures for the period would give little indication as to the full year's probable results.

The results do, however, include *interim figures from the* plantation interests in Kenya. The directors are looking for final crops there at least equal with last year, but continuing weak world prices, together with cost increases, are likely to *mean lower profits.*

The fourth of the five equal instalments of the loan repatriable from India relative to the rupeeisation of the group's Indian interests amounting to some £400,000 has not been received (it was due in August) and the directors say that even if permission to remit is received, "Tata-Finlay may lack the necessary funds to make the payment timeously and in full."

The group has disposed of 280,000 shares in London and Scottish Marine Oil Co at a profit of some £1.5m as indicated in the last annual statement.

Earnings per share for the half year exclude the issue of 338,150 shares arising from the conversion of 34,586 convertible non-voting shares of Seaforth Maritime *(Holdings) in accordance* with the terms of conversion.

● **comment**

James Finlay's interim figures show the increasing importance of non-plantation interests. As last year, there is a big trading profit on the sale of Lasmo shares while the nearly doubled minority charge indicates that the Seaforth Maritime North Sea fleet is sustaining the high level of activity achieved in the second half of last year. Another £1m or so has come from interest income while George Payne may have chipped in £¾m. The directors are looking for a decline in plantation profits unless the long awaited firming of tea prices materialises and so they are being cautious about the overall result. But the strength of the other divisions plus a first small contribution from the Ohio oil venture may be enough to see a slight increase in pre-tax profits and bring forth a slight improvement in the final dividend. At 78p, up 3p, the shares yield 7.8 per cent.

Bruntons foresees same payout

A CONTINUED slight improvement in trading enabled Bruntons (Musselburgh), steel wire manufacturers, to lift pre-tax profits to £760,000 in the half-year to July 4, 1981 from £721,000 in the 1980 second half. The exceptionally high £934,000 achieved in the six months prior to that was largely as a result of the 13-week steel strike.

The directors say the build-up of stocks ahead of that stoppage had enabled the company to undertake additional business which competitors could not supply.

The interim dividend is maintained at 4.25p net per 25p share, and the directors expect to repeat the second interim at 5.21p for a total of 9.46p. Taxable profits for the whole of 1980 amounted to £1.66m.

They say the dividends are likely to be fully covered by earnings without recourse to the £410,560 available from the deferred taxation reserve.

Turnover of £5.22m — £4.63m at home and £586,000 exported — was 25.8 per cent down on the 1980 first half but 12.7 per cent up on the second half. Trading profits of £730,000 were down from £956,000 but up from £694,000. A marginally higher £107,000 was debited for depreciation.

The increasingly difficult trading conditions which prevailed in the second half of 1980 continued with reduced profit margins into the first quarter of this year but, as was intimated at the annual meeting, signs had emerged of changes favourable to the company, the directors state.

The performance was enhanced by income from investments totalling £137,000, up from £81,000 and £118,000. This comprised £105,000 in interest receipts and a £32,000 net capital gain on the sale of British Funds.

Redundancy payments required under the plan to cut the workforce by one quarter — effected by the end of June — were less than the amount set aside in the 1980 accounts. The balance will more than cover the limited number of additional redundancies which may be needed in the next few months, the directors say.

Jentique back in profit

SECOND HALF taxable profits of £226,450—against losses of £73,530 last time—at *Jentique* (Holdings) brought the figure for the year to June 30 1981 to £8,000 compared with £235,500. Turnover for the 12 months rose from £10.58m to £11.11m.

The final dividend of this *furniture and clock manufacturer* is set at 0.7p (nil) net per 25p share making a total for the year of 1.3p (1.03p). Earnings per share are given as 4.15p (2.72p), or at 4.05p after a deferred tax credit.

The directors say that Metamec — the largest UK clock manufacturer — is now fully *equipped with modern plant and* technology and has shown a substantial recovery in the second half. "Barring circumstances beyond our control, it would appear to be set for a further satisfactory trading *period," they add.*

The furniture industry is still facing very competitive trading conditions and Jentique is not immune to the recession although it has reduced the level of losses incurred during the *second half. All measures within* the group's control are constantly being taken to eliminate these at the earliest *opportunity, the directors state.*

The taxable profits were struck after depreciation and plant leasing charges of £460,500 (£364,900) and interest payable of £202,700 (£200,200). There was a tax credit of £320,000 *(£20,200 charge) released from* deferred tax and after extraordinary redundancy payments of £29,100 (£50,800) and dividends of £102,900 (£81,600) the retained profits emerged at £196,600 (£82,900).

There was a pre-tax loss of £192,800 on a CCA basis.

SPAIN

Oct 8	Price %	+ or −
Banco Bilbao	356	−3
Banco Central	335	−10
Banco Exterior	295	−5
Banco Hispano	*311*	
Banco Ind. Cat.	118	
Banco Santander	375	−10
Banco Urquijo	241	
Banco Vizcaya	372	−3
Banco Zaragoza	235	−6
Dragados	160	
Espanola Zinc	73	−1
Fecsa	68.5	+1.5
Gal. Preciados	52	−1.5
Hidrola	75	
Iberduero	57	−0.5
Petroleos	110.2	+4.2
Petroliber	83	
Sogefisa	51	
Telefonica	79.7	+2.7
Union Elect.	73	+1.5

Green's rises to £1.34m

FIRST-HALF *pre-tax profits rose* for Green's Economiser Group, engineer, from £1.08m to £1.34m for the period ending June 30, 1981.

The improved results are generally in line with expectations, says Mr S. L. Green, chairman.

Earnings per share are given as 10.54p (7.87p) and the interim dividend has been lifted from 2.2416p to 2.75p, allowing for a one-for-six scrip issue. The *adjusted total for last year was* 4.9286p.

Sales in the last whole year were £30.67m and pre-tax profits reached £1.87m.

Sales for the first half of this year rose from £14.91m to £15.31m. Net interest receivable stood at £18,492 against net interest payable of £39,111 last time.

Tax was just higher at £307,000 (£305,000).

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RUNCORN NEW TOWN

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
James Finlay ......int.	2	Jan. 5	2*	—‡	4.17*
First Castle Elctrnes int.	0.87	Nov. 18	0.72	—	1.79
Grampian Hldgs.	1.5	Nov. 14	1.5	—	4.5
Green's Economiser int.	2.88	Nov. 27	2.24*	—	4.93*
Hewden-Stuart ......int.	0.48	Dec. 10	0.48	—	1.28
Hunt and Moscrop	0.54	Dec. 11	0.54	0.9	0.9
W. and R. Jacob¶ ...int.	1.5	Nov. 13	1.2	—	3.3
Jentique	0.7	Dec. 15	Nil	1.3	1.03
Minet Holdings ......int.	3.01	Nov. 19	2.8	—	4.55
Photo-Me	6.3	Dec. 16	6.3	9.45	9.45
Ruberoid ....int.	1.3	Nov. 24	1.1	—	3.75
Sanderson Murray	2	Nov. 23	2	2	2
A. A. Inv. Trust ...inv.	260‖	Nov. 27	260	—	890
Aberdeen Land	9.75	Nov. 6	7.73*	14	10.91*
Brit. Emp. Secs. sec. int.	0.65	Nov. 6	0.65	0.85	0.85
Bronx Engineering int.	0.25	Nov. 27	0.29	—	1.08
Bruntons ....int.	4.25	Oct. 30	4.25	—§	9.38
Comfort Hotels .....int.	0.2	—	0.2	—	0.5
Farnell Electronics int.	1.8	Nov. 30	1.5	—	5.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Total equal to 4.17p anticipated. § Maintained total of 9.46p anticipated. ¶ Irish currency throughout. ‖ S. African cents throughout.

Swire in strong advance

Widespread improvements among the varied operations of John Swire and Sons, engaged mainly in shipping, travel and insurance in the Far East and Australasia, boosted pre-tax profits to £18.1m for the half-year to June 30 1981, against £10m.

The directors say the success was particularly marked for Swire Pacific, its Hong Kong-based associated company. Overall they expect a continued advance in the second half.

Trading profits were more than doubled at £10.6m from £4m. Interest payable was £8m (£3.2m) while investment income and interest receivable totalled £3m (£2m).

Associated companies brought in £10.8m (£6.1m), and £1.7m (£1.17m) was credited for exceptional items.

Tax took £6.2m (£3.5m). Below the line came deductions for minority interests of £400,000 (£300,000) and extraordinary items of £100,000. The resulting attributable profits were £11.4m (£6.2m).

W. & R. Jacob upsurge

FAVOURABLE exchange rates as well as improved efficiency brought about a quintupling of pre-tax profits for W. and R. Jacob and Company, the Irish biscuit manufacturer, in the 28 weeks to July 17, 1981.

On turnover of I£22.23m (I£15.8m), the taxable surplus was I£658,000 against I£132,000 and a 1980 total of I£526,000. The interim dividend is being raised to 1.5p net per 25p share from 1.2p, last year's total having been 3.3p.

Earnings per share are given as 11p (2.1p).

Mr C. Gordon Lambert, the chairman, expects the rate of improvement in profits to slow somewhat during the second half, but the outcome should nonetheless "show a very satisfactory trend." The recent increase in Irish VAT to 15 per cent will have an adverse effect.

Trading profits were I£1.13m against I£522,000. A debit of I£473,000 (I£390,000) was made for interest payments.

The chairman says: "The relatively low average of the Irish currency compared with sterling helped our competitive position on the home market, which enabled us to stimulate a buoyant demand for our biscuits and to continue to develop our exports in the face of intense competition from UK manufacturers abroad.

At the same *time ongoing* improvement in our corporate efficiency and operational performance also contributed significantly to the increase in trading profits."

First Castle moves ahead

TAXABLE PROFITS of First Castle Electronics advanced 112 per cent from £202,030 to £429,661 in the six months to July 31 1981 on turnover ahead at £2.54m compared with £1.03m.

The interim dividend is being increased from 0.723p to 0.868p net per 10p share against 1.792p for the whole of last year. Earnings per share are stated at 5.39p (3.56p).

The directors say they are constantly seeking further opportunities for expansion in the electronics and technology fields, but with great caution because of "today's uncertain times." However they remain optimistic that opportunites for growth both internally and through acquisition will continue to occur.

The electronics division continued to provide the main thrust of the group's expansion with increased activity at BRM Electronics and a significant first time contribution from Fleetworld which was acquired in December 1980.

Profits from the piano division were less than 20 per cent of the group's profits and while the outlook for this section is uncertain, the order book for the electronics companies continues to grow they say.

No tax provision has been made for the half year. The directors feel there will be no charge for the year because of capital allowances and stock relief.

The main activities of the group are the provision of subcontractor services to industry and a specialised procurement agency in electronics and in the purchase, renovation and resale of pianos, mainly for export.

J. SMURFIT BUYS

Jefferson Smurfit, the Irish paper and packaging company, is buying 70 per cent of Clearprint Australia Pty of Melbourne.

Some of the payment for Clearprint, which Smurfit values in full at about A$2.5m (£1.6m), will be deferred over 10 years, the amount depending on profit *performance.*

The Irish company will be able to exercise an option to buy the other 30 per cent after five years. Clearprint is involved in silk screen printing for promotional point-of-sale materials.

Watmoughs (Holdings) Limited
Idle, Bradford, West Yorkshire BD10 8NL

Sixth successive record

Six months to 30 June	1981	1980	Increase
Turnover	£7 935 000	£6 647 000	19½%
Profit before tax	£676 000	£625 000	8%
Interim dividend	1.7p	1.5p	13%

Outlook Further progress expected in final six months of 1981 despite difficulties facing printing industry. Group is well placed to benefit from improved trading conditions.

Gravure and litho printers **Carton manufacturers**

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
114	100	ABI Hldgs. 10pc CULS	109	—	16.0	9.2	—	—
76	39	Airsprung	67	−1	4.7	7.0	10.6	14.2
52	21	Armitage and Rhodes	43	+1	4.3	10.0	3.6	8.1
200	92½	Bardon Hill	189	+1	9.7	5.1	9.2	11.2
104	88	Deborah Services	97	—	5.5	5.7	4.8	9.1
126	88	Frank Horsell	112	—	6.4	5.7	10.1	24.3
110	39	Frederick Parker	59	—	1.7	2.9	26.7	—
110	51	George Blair	51	—	—	—	—	—
102	93	IPC	96	—	7.3	7.6	6.9	10.4
113	59	Jackson Group	97	—	7.0	7.2	3.1	6.9
130	103	James Burrough	110	—	8.7	7.9	8.0	10.1
334	244	Robert Jenkins	285	—	31.3	10.9	4.8	10.1
59	50	Scruttons "A"	53	—	5.3	10.0	8.2	7.6
224	187	Torday	†	—	15.1	8.1	7.2	12.4
23	8	Twinlock Ord.	11½	—	—	—	—	—
90	68	Twinlock 15pc ULS	75	—	15.0	20.0	—	—
56	34	Unilock Holdings	35	—	3.0	8.6	6.2	10.6
103	81	Walter Alexander	82	—	6.4	7.8	5.4	9.5
283	181	W. S. Yeates	224	—	13.1	5.8	4.2	8.8

† Suspended.

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UK COMPANY NEWS

Industrial side hits Grampian

A MARKED fall in the contribution by the industrial services activities of Grampian Holdings helped cause a fall in first-half taxable profits of £157,000 to £373,000. Turnover for the period to June 30 1981 slipped from £31.48m to £29.1m.

The interim dividend, however, is being maintained at 1.5p net per 25p share. Last year a total of 4.5p was paid on pre-tax profits of £1.25m and earnings per share of 10.24p. Earnings for the six months are stated at 2.5p (2.48p) per share.

Mr David C. Greig, chairman, says the industrial services sector—where taxable profits fell £398,000 to £606,000—has been, and is continuing to be, significantly influenced by adverse market conditions resulting in reduced margins in both plant hire and haulage.

The improvement from losses of £216,000 to profits of £22,000 in the consumer goods division resulted from cost reductions. Parent company expenses, including bank and debenture interest not otherwise allocated, were cut from £280,000 to £255,000.

After tax of £80,000 (£239,000) and minority interests of £5,000 (same) the attributable profits emerged higher at £288,000 (£286,000).

The group has interests in construction, transport, plant hire and light engineering.

Farnell Elect. shows small rise so far

MODEST PROGRESS has been shown by Farnell Electronics for the six months to July 31 1981. Pre-tax profits improved from £2.97m to £3.62m and an increase of 20 per cent has been declared on the net interim dividend, which rises from 1.5p to 1.8p. Stated earnings per 20p share advanced from 9.2p to 10.9p.

In his last annual review the chairman expected "further progress at a more modest rate than that of the immediate past." There is nothing to suggest that the recession will lift before the company's financial year-end, and progress will continue to be modest until the economy begins to improve, say the directors.

In the last full year a final dividend of 3.7p was paid from pre-tax profits of £6.62m (£5.12m) on turnover of £29.81m (£25.26m).

During the first six months of the current year the group had mixed fortunes, say the directors, with small turnover increases in the component distribution and instrument manufacturing companies. Consumer distribution and international sales of instruments were worst affected because of strong competition and the strength of sterling.

Tax rose from £1.54m to £1.83m leaving the net balance higher at £1.69m (£1.43m). Retained profits were ahead at £1.41m, compared with £1.19m.

Turnover improved to £15.92m (£14.53m adjusted).

● comment

Farnell is one of the more attractive shares among the electronic component distributors. Its distribution activity—60 per cent of sales and 63 per cent of profits—is biased towards passive rather than high technology active components. Thus Farnell has been able to side step the worst of the price cutting and while overall sales are only up 9.6 per cent, all but a point of that is volume. Customers, who have been trying to trim their own stock levels, have been ordering in smaller batches and Farnell raises its price on limited orders giving a margin hike which has lifted group profits by 18.3 per cent. Within that the investment income contribution was little changed at £400,000. The cost of the new warehouse complex will be around £1m, but a third of that will be covered by the sale of a redundant property so liquid balances—£5¼m in the last accounts—will not be heavily dented. Elsewhere in the group the instrumentation side shows sales up 20 per cent. But predictably the consumer products wholesale business is feeling the pinch. Still Farnell managed to produce a £15,000 profit from wholesale against a £30,000 loss. Overall the year could see £7.75m pre-tax. At 470p that points to a fully taxed p/e of 19.5 and yield under 2 per cent.

Bronx in the red halftime

AS anticipated, Bronx Engineering suffered a pre-tax loss for the six months ended May 31 1981 amounting to £533,402, compared with profits of £354,940. Turnover of this press, bar, tube and pipe manufacturer dropped from £6.48m to £3.94m.

Mr G. B. Crosthwaite, chairman, explains that short-time working operated throughout the half-year and the lack of a full workload necessitated a 17 per cent reduction in employees, against the level at the end of November 1980—pre-tax surplus for the 12 months ended on that date was £508,921.

Pre-tax loss for the half year included £160,000 redundancy and severance payments.

Since August the workload has improved enough to allow normal working hours to be resumed. The chairman says that despite the economies made the group will continue to operate at a loss in the second half, but at a significantly lower level.

"Provided that the order intake improvement is maintained I am hopeful that we shall return to profit in 1982," he states.

The interim dividend is reduced from 0.29p to 0.25p net per 10p share—last year's final was 0.79p—and the loss is given as 3.79p per share, compared with earnings of 1.35p, after a tax credit of £60,000 (£185,000 charge).

Computer and Systems profit up

A £213,000 turnround in interest debt has enabled Computer and Systems Engineering to produce an increase in 1981 first-half profits from £317,000 to £477,000. This time there is a credit for interest of £22,000, against a charge of £191,000 in the corresponding period of the previous year.

Sales for the period rose by £1.5m to £5.91m. The directors stress that the recession is by no means over yet and competition for the available business is fierce. But they believe the company will maintain its favourable progress.

After tax of £9,000 (£5,000) net profit comes out at £468,000 (£312,000). Earnings are stated at 10.4p (10.7p) per share.

Comfort Hotels in loss midway

WITH INTEREST charges rising sharply from £817,000 to £1.3m and trading conditions continuing far from easy in the opening months of 1981 Comfort Hotels International fell into the red for 28 weeks to July 12 incurring a pre-tax loss of £93,000, compared with a profit of £729,000.

Turnover edged ahead from £10.43m to £11.81m, but trading profits came through lower at £1.2m (£1.56m). Tax was down to £30,000 (£48,000).

The directors point out that, as already intimated, the results reflect the more seasonal nature of the increased number of hotels now operated abroad.

They say that since April the group has operated profitably despite trading conditions remaining difficult. If this trend continues they anticipate a reasonable profit for the year and expect to maintain the final dividend at 0.4p—the interim is the same at 0.2p net per 10p share.

World Hotel Reservations, founded with Rank Hotels earlier this year, is making good progress and the hotel groups in Switzerland, Austria and Spain have now joined and this will help to generate additional business from 1982 onwards, the directors say.

Strikes Restaurants continued to give a good account of itself and it is intended to seek a quotation in due course on the Unlisted Securities Market which will be used as a vehicle for selective expansion in the catering and allied fields.

The group, which acquired the 95-roomed Crown and Mitre hotel at Carlisle in June "is well poised to take immediate advantage of any improvement occurring in 1982."

For 1980 pre-tax profits were £1m down at £1.57m.

● comment

Given the shape of the last balance sheet, Comfort Hotel's onerous income gearing comes as little surprise. It says that it took the opportunity earlier this year to switch a large tranche of foreign exchange debt into sterling borrowings thus sidestepping a significant conversion loss. The second half trading picture looks to be brightening a little but the problem now is to get overall gearing down. Strikes' proposed USM float could be an important step but detailed proposals will have to wait for the early part of next year and the parent is not disposed to free much equity. A very approximate guide to flotation values may be gleaned from the £600,000 paid to Bejam for six fast food outlets last year but much depends on seating capacity and leases. The rising overseas exposure increases the bias in favour of the second half and London occupancy rates have recovered since July although the trend is by no means properly established and total borrowings—now at *higher cost—do* not *seem* set to come down very fast before the year end. The dividend will be stoutly defended at a net cost of £206,000 although the historic yield at 16½p, up 1p yesterday, is just 5.25 per cent.

Housebuilding boost for Aberdeen Land

A THIRTY-THREE per cent increase in profits from the housebuilding activities of City of Aberdeen Land Association helped maintain group profits for the year to June 30 1981, after a marked reduction in the property contribution.

Pre-tax profits came out at £1.08m (£1.05m) on higher turnover of £8.32m (£4.63m). At the half-year stage taxable profits were well down at £232,000 (£756,000), but the directors point out that this was caused by the uneven split of house completions and their interim forecast for year-end profits of £850,000 was exceeded by 25 per cent.

The final dividend is set at 9.79p net (7.73p adjusted for one-for-ten scrip) making a total for the year of 14p (10.91p) per 50p share and a one-for-eight scrip is proposed. Earnings per share are stated at 63p (51.4p).

Looking to the current year the directors say it is not going to be easy but they are confident that the company's performance "will continue to be well above average."

Panther Secs sees pick up in second half

After interest, expenses, amounting to £90,338, pre-tax profits of Panther Securities were £26,014 for the first half of 1981, and arose almost entirely from rental income. Gross income was £116,352.

A considerable improvement in profits is anticipated in the second half, during which two properties have been sold at an estimated profit in excess of £40,000, the directors state.

Contracts have been exchanged for further acquisitions at Sandiacre, Nottingham and Slough, which are expected to show substantial benefits in due course.

Court winding up orders

Compulsory winding up orders against the following companies were made by Mr Justice Vinelott in the High Court:

Cope Metals, Culton International, Buyreed Builders, A. S. A. Travel, J. Donne Holdings, T. J. Print, G. Pennant, Sparkzone.

Crown Graphics, Liverpool Dampcoursing Company, Deltafurn, Pat's Removals and Transport, Boatfile, Sprayvert (North West), Silver Coast Properties Overseas, L. M. C. Metal Company (Lydney), Turners (Patisserie).

Double De (Fashions), Shirecourt, Heurits Drum Store, Sir John (Menswear), Chirpbond, New City Insurance Agency, Richards Transport (Cornwall), Shadebrook.

Executive Conference Organisers, Lady Nina, G. C. (Vehicle Systems), Realty World Corporation (UK), J. Griffith and Son *(Insurance Brokers), Allon* Partnership, Mann's Stores, Robert James (Contractors).

Zacbrook, Dronfield Casting Company, Bailtroth, Clarkpalm, Inn-Sight Personnel and Management Services, Darenbrook, Filux of London, George Burton Sales (Mirfield), Cassion, Transmile.

E. Brian Davies (Office Supplies), Brown and Weston, Domestic Heat Economy, Piccadilly Electronics, Collins Lifts (Electrical Engineering), Song Music, J. D. Gunner and Company, Flonway Construction, Westlands (Construction Services).

M. P. Cox and Company, Appin Construction, Serena Construction, Spencer Simon Furnishings, Kegwise, Coregrange, Norvic Securities, Miller-Carnegie Securities, Bonas Garments.

Hexiver, Kegs (Beers and Minerals), *London Timesavers*, Dortcrest, Automated Data Systems Training, Ceil-Lite Ceilings, A. D. S. Software, Richard Tiano.

Marksman Decorators, Stoic Insurance Brokers, Copytrue Engineering Co. (Maidenhead), Commander Jet Prop, Trading and Funding International, Briggate House Carpets (South West), Lea Valley Salads, Patterson Edwards.

Transmundo Armadora S.A., Faremead (Plumbing and Heating Services), The David L. Shaw Organisation, Riviera Swingers Camping Holiday, T. Challis Bros. (Leyton), Barnes-Newman, Protectiforce.

A. T. Europe, Libra (Marketing), Appolonia, Avonkarn, Raven Computer Services, S. V. Cowley and Co., Lordboy, Arrow *Export Services, Dartford Transport*, A. E. G. Security Services.

Hydefly, John Parradine, Essex Truck Sales, North Essex Truck and Trailer Hire, Boutique Beebee, W. W. Aviation and Motor Cycle Services, Deepgate, Shane Builders.

K. J. Langley, Pasargad International, Silverflex, M. K. T. Poultry Company, Metaservices (Chorley), Hamdon Engineering, Ayres Fish, W. and J. Mackay.

Amalgamated Industries, Arrow Cabs, Bob Allport and Sons, Specific Environments (Construction), Magpie Dart Supplies, McClaren Shipping Co., Patelm, and Neilridge.

Upturn for G. Ingham

A return to the black has been achieved by George Ingham and Company (Holdings), the private worsted spinning company, but this comes with the omission of its interim dividend for the six months to June 30, 1981.

On turnover down to £1.53m (£1.64m) the retained profits were £23,016 against £21 losses and a £72,086 deficit for the year to December 31, 1980. No tax was charged because the losses brought forward, which could not be adjusted through the deferred taxation account, exceed the profits made this time.

Mr J. M. C. Mollett, the chairman, says the company is working at a high level of activity but margins are very keen.

Earnings per share are given as 1.11p (nil).

London W.1.

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This announcement appears as a matter of record only — *October, 1981*

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COMBINED ENGLISH

STORES GROUP LIMITED

Interim Statement

from Chairman Murray Gordon

The unaudited consolidated results for the 28 weeks ended 15 August 1981 were as follows:	28 weeks ended 15 August 1981 £000	28 weeks ended 9 August 1980 £000	53 weeks ended 31 January 1981 £000
Sales excluding VAT	46,344	51,795	106,959
Profit (loss) of the Company and its subsidiaries	36	(308)	3,081
Share of profit (loss) of the associated company and its subsidiaries	80	(72)	131
Profit (loss) before taxation	116	(380)	3,212
Taxation — estimated	(50)	—	311
Profit (loss) after taxation	66	(380)	3,523
Minority interests	(22)	(16)	(113)
	44	(396)	3,410
Extraordinary items	(536)	—	(1,177)
	(492)	(396)	2,233
Transfer from (to) reserves	1,224	1,126	(691)
	732	730	1,542
Dividends: Preference	8	8	16
Ordinary	724	722	1,526
	732	730	1,542
Earnings per Ordinary share	0.07p	(0.83)p	7.00p

Notes:
1. Profit (loss) of the Company and its subsidiaries includes profit on the disposal of property, including sale and leasebacks, amounting to £1,171,000 (28 weeks ended 9 August 1980 £930,000, 53 weeks ended 31 January 1981 £1,514,000).
2. Extraordinary items relate to the disposal and termination of trading activities of subsidiaries and include £287,000 written off goodwill (53 weeks ended 31 January 1981 £992,000).

The interim results reflect the continuing severity of the effect of the current economic recession on the retail trade in the United Kingdom as well as the action that has been taken to eliminate loss-making activities.

The results for the much more important second half of the year will mainly depend on the level of consumer spending during the Christmas period and, in the absence of unforeseen circumstances, the Board is confident that the results for the year as a whole will show a satisfactory increase over last year's figures.

The Group is financially strong and is well placed to take advantage of any opportunities for profitable expansion that may arise.

The Directors have declared an interim dividend for the financial year ending 30 January 1982 of 1.49p (1980/81 1.49p) per Ordinary share payable on 25 November 1981 to shareholders on the register on 2 November 1981.

MULTIPLE SPECIALIST RETAILERS

Operating 500 shops

Salisburys: Harry Fenton: Collingwood The County Jewellers

AAH

14th successive year of increased profits

Bill Pybus, Chairman, reports: Group results for the year to 31st March 1981 show a 6.8% increase in profits before tax. This is the fourteenth successive year of increased profits and the direct result of a Group structure which stresses enterprise and accountability at the "sharp end" of our diverse operations.

Improvement throughout the Group

This policy of local management responsibility is based on the simple premise that the man on the spot is the man in the know.

The effectiveness of this approach, supported by the experience and resources of the AAH Group, is manifest in the fact that virtually every part of our operations, in the face of extremely difficult market conditions, has shown continuing improvement in performance—as the charts over the past five years clearly show.

1981 Results

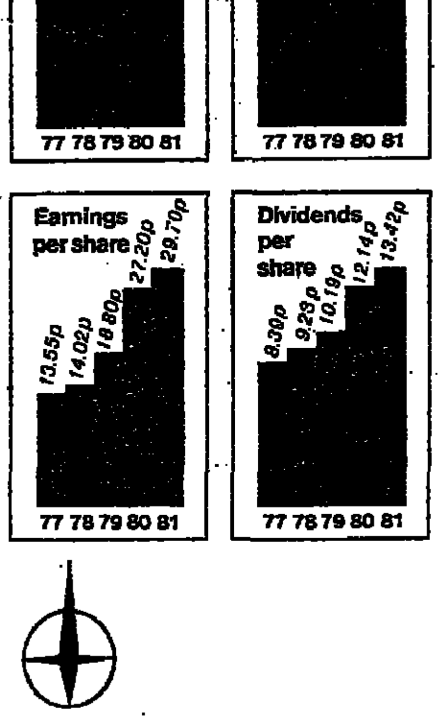
Group trading profits at £11.885 million are 7.5% higher than in 1980, on turnover up 7% from £336 million to £360 million.

A revaluation of the Group's properties shows a surplus of £7.1 million over book value. Net tangible assets, at £37.8 million, have increased by 42% over the previous year.

At an Extraordinary General Meeting after the AGM, Shareholders will be asked to consider and approve proposals for an increase in the Group's share capital, through a one-for-one bonus issue.

1981 Analysis of Profit

Solid fuel distribution	50.9%
Pharmaceutical supplies	15.9%
Builders' supplies	13.2%
Oil distribution	9.1%
Road Haulage	6.6%
Engineering	4.4%
Agricultural services and Misc.	2.1%



The Future

I am confident of the ability and enterprise of our management throughout the country. This, coupled with the expansion and strengthening of the Group's business through suitable acquisitions, will enable us to build on a solid foundation and exploit every opportunity and upturn in trading conditions.

Annual Report

Our Annual Report deals with our performance and our plans in more detail. For a copy, complete the coupon below and post it to me.

To: W.M. Pybus Esq., AAH Limited, 21/24 Bury Street, St. James's, London SW1Y 6AP

Please send me a copy of the 1981 Annual Report.

Name: ______

Address: ______

AAH Limited

UK COMPANY NEWS

DOWDING & MILLS

Results year ended 30th June 1981

	1981 £	1980 £
Sales	16,232,649	16,302,062
Profit before tax	1,331,274	1,826,150
Dividend pence per share	1.65	1.65

"I am very pleased to report that, over the year, we were able to improve our cash position by £921,746, leaving a net cash balance of £311,608 at the year end."

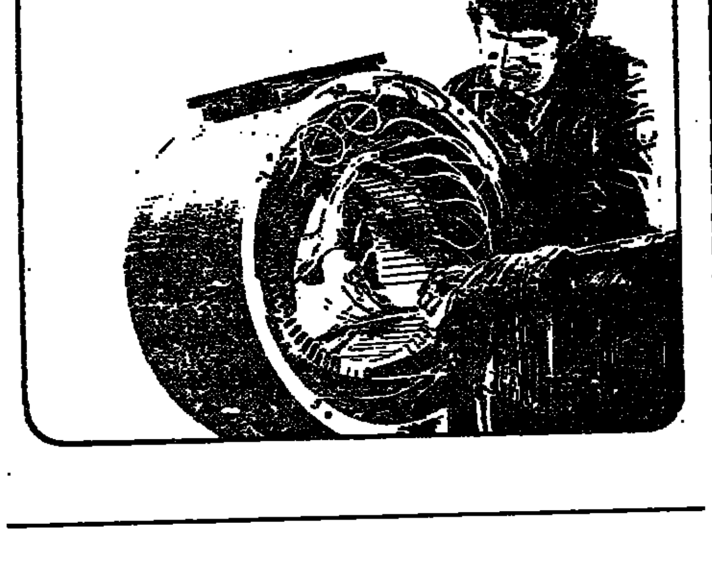
"We consider that your Company is well placed to benefit from any up-turn in the national economy."

P. L. Hollings
Chairman

The A.G.M. will be held at the Chamber of Commerce, Birmingham at 12 noon, 2 November 1981.

Copies of the Report & Accounts may be obtained from the Secretary at the Registered Office, Camp Hill, Birmingham B12 0JJ.

Dowding & Mills Ltd Electrical and Mechanical Repair Engineers



NOTICE OF REDEMPTION
To the Holders of

Marriott Corporation

5% Convertible Subordinated Debentures
Due October 15, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Article Three of that certain Indenture dated as of October 16, 1973 between Marriott Corporation (the "Company") and Bankers Trust Company, the Company intends to redeem, and does hereby call for redemption and payment on October 14, 1981 (the "redemption date") all outstanding 5% Convertible Subordinated Debentures due October 15, 1988 (the "Debentures") at 101% of the principal amount thereof plus interest accrued to the redemption date.

On the redemption date, all of the Debentures will become due and payable at the redemption price specified above plus accrued interest and will be paid upon surrender thereof at the Corporate Trust Office of Bankers Trust Company of New York, if by hand, One Bankers Trust Plaza, New York, New York 10006 and if by mail, P.O. Box 2579, Church Street Station, New York, New York 10008, or at the option of the holder but subject to any laws and regulations applicable thereto in the country of any of the following offices, at the main offices of Bankers Trust Company in London (City Office) and Paris, the Chase Manhattan Bank, N.A. in Frankfurt am Main, Amsterdam-Rotterdam Bank, NV in Amsterdam, Bank Bruxelles Lambert S.A. in Brussels, Banca Commerciale Italiana in Milan, and Kredietbank S.A. Luxembourgeoise in Luxembourg.

Debentures surrendered for redemption should have attached all coupons appertaining thereto maturing after the redemption date. On and after the redemption date interest on the Debentures shall cease to accrue and the coupons for such interest shall be void, and any right to convert the principal of the Debentures shall terminate at 3:00 P.M. Local Time on October 14, 1981, the redemption date.

The current conversion price is $29.91 per share. Any holders of the Debentures who wish to convert may do so by surrendering Debentures, with all unmatured coupons appertaining thereto, to the Company at any of the offices specified above in the case of payments, together with a notice of election to convert, and specifying the name or names in which the shares of common stock of the Company deliverable upon such conversion shall be registered, with the addresses of the persons so named. Please note that the Conversion Notice on the reverse side of each Debenture, if properly completed and executed by the holder, will constitute a sufficient notice of election.

Marriott Corporation

Dated: August 20, 1981

GRAMPIAN HOLDINGS

Interim Results 1981

Profit before taxation for the half year is £373,000 compared with £530,000 for the first six months of 1980.

Industrial services has been, and is continuing to be, significantly influenced by adverse market conditions resulting in reduced margins in both plant hire and haulage.

Improvement resulting from cost reduction has evidenced itself in the consumer division.

The Directors are declaring an interim dividend of 6% (1.50 pence per share), the same as last year, and this will be paid on 14 November, 1981 to members on the Register at 27 October, 1981.

GRAMPIAN HOLDINGS LIMITED
Stag House, Castlebank Street, Glasgow G11 6DY

The unaudited results of the Group for the half year to 30 June, 1981

	Half year to 30 June '81	Half year to 30 June '80	Year to 31 Dec '80
	£'000	£'000	£'000
Turnover	29,098	31,428	64,735
Profit before taxation	373	530	1,449
Taxation (estimated)	80	239	330
	293	291	1,119
Deduct: Minority interest	5	5	10
Profit after taxation and minority interest	288	286	1,109
Extraordinary items	—	—	394
Profit attributable to shareholders	288	286	715
Earnings per share	2.50p	2.48p	10.24p

Note: The interim ordinary dividend of 6% (1980 6%) will absorb £152,302 (1980 £152,302). The preference dividend paid on 30 June, 1981 absorbed £34,354 (1980 £34,354).

AGB SERVICES TO MANAGEMENT

	1980/81 £m	1979/80 £m
Turnover	32·161	29·186
Pre-tax profit	3·858	2·902
Tax and minorities	1·976	1·463
Available for distribution	1·882	1·439
Dividends	1·052	0·765
Retained earnings	0·830	0·674

Mr Bernard Audley, Chairman, reports:
- Turnover up 10%; pre-tax profit up 33%.
- Dividends for year increased by 24%.
- Strong financial position following successful rights issue.
- Substantial increase in shareholders' funds.
- Business good in the first half of 1981/82.

Copies of the Annual Report may be obtained from the Company Secretary

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MINING NEWS

September quarter gold earnings decline 11%

BY KENNETH MARSTON, MINING EDITOR

THE FIRST batch of results for the September quarter from the South African gold mines — those of the **Consolidated Gold Fields group** — can be regarded as satisfactory in the light of the lower gold price obtaining in the period.

In U.S. dollar terms, bullion averaged $420 per troy ounce (it was $446 yesterday), a fall of 15 per cent on the average for the previous three months. But because of the reduction in the value of the South African rand against that of the dollar, the revenue in South African rands received by the mines from their sales of gold for dollars has shown a smaller decline.

Gold prices received by individual mines vary in line with the timing of sales, but the average price in rands received by the Gold Fields' producers in the quarter works out at R12,563 per kilogramme, a fall of only 3 per cent on that of the previous three months.

However, the mines' working costs in the past quarter rose by 6.5 per cent, largely as a result of wage increases. Gold production was slightly higher but the overall result is that net profits for the group's mines have fallen by just on 11 per cent from those of the June quarter.

The latest net profits for the individual mines are compared in the following table.

	Sept qtr R000s	June qtr R000s	March qtr R000s
Deelkraal	4,086	3,680	3,694
Doornfontein	11,620	18,103	14,489
Driefontein	86,244	92,091	—
Kloof	31,199	34,862	34,573
Libanon	11,115	11,452	11,246
Venterspost	2,449	4,022	3,634
Vlakfontein	275	426	582

Exceptionally, the young **Deelkraal** has increased its latest profit thanks to an improved production which reflects the parent company's recent comment that the mine's technical problems had been overcome.

Hopes are thus strengthened that after having omitted a second payment after the maiden dividend of 5 cents (2.8p) declared at the end of last year, Deelkraal will come back to the dividend list in December.

Driefontein Consolidated, the Republic's "supermine" resulting from the merger of the East and West Driefontein mines and the North Driefontein property, has earned less, partly as a result of an underground fire at the property.

The more marginal **Doornfontein** has suffered from the combination of a lower gold price and increased costs together with a higher tax liability. However, there is the compensation of some good development values obtained on the Carbon Leader reef on which the mine's future largely depends.

Encouraging gold development values are also reported from limited sampling on the Kimberley reef at **Libanon** which is one of the four reefs underlying this property. Meanwhile, the mine's September quarter profit has been quite well maintained thanks to a modest increase in gold production and a lower tax charge.

Mt. Newman to sell iron ore to Pakistan

THE BIG **Mount Newman** iron ore operation in Western Australia has won a contract to supply about 300,000 long tons annually of lump ore to the new Pakistan Steel Mills Corporation for a five-year period.

As a result, the Australian joint venture, in which the participants are **Amax, CSR, Broken Hill Proprietary, British Petroleum** and **Mitsui-C. Itoh**, will supply 18.5 per cent of Pakistan's total iron ore needs and 39 per cent of its lump ore requirements.

Because of the limited availability and quality of Pakistan's iron ore, the new steel mill which was officially commissioned on August 31 has to import all its high-quality iron ore supplies.

Mount Newman was the only Australian producer selected by Pakistan Steel Mills as one of its five long-term iron ore suppliers. The others are in Brazil, Canada, India and Liberia.

The new steel plant is Pakistan's largest industrial enterprise. It results from the signing in 1971 of a technical and financial agreement between the country and the Soviet Union for the construction of a 1.1m tons per year capacity steel plant with the potential for expansion to 2m tons per year. The full 1.1m tons production level is expected to be achieved in 1984-85.

Malaysian tin mine outputs

LOWER production of tin concentrates in September is reported by the Far Eastern tin mines in the **Malaysia Mining Corporation** group. The total for September amounts to 1,214 tonnes compared with 1,261 tonnes in August and 1,243 tonnes in July.

Of the larger producers, Malayan's September output still shows up well against figures for recent months. That of **Berjuntai** makes a total for the first five months of the current financial year of 1,524 tonnes against 1,550 tonnes at this time last year.

Meanwhile, all the companies have been enjoying a sharp recovery in tin prices this year.

The latest output figures are compared in the following table.

	Sept tonnes	Aug tonnes	July tonnes
Aokam	114	146	124
Ayer Hitam	110	104	88
Berjuntai	294	310	316
Kuala Kampar	12	11	11
Malayan	662	669	682
Sungei Besi	61	83	80
Tongkah Harb.	36	31	28
Tronoh Mines	56	66	52

Hamilton Oil ahead at midyear

PRE-TAX PROFITS of **Hamilton Oil Great Britain**, whose shares were listed on the Stock Exchange last July, rose from £9.25m to £10.94m in the first half of 1981 despite turnover falling by £1.05m to £12.3m.

Operating profits, derived from the company's 28.8 per cent interest in the Argyll field in the North Sea, amounted to £8.83m (£7.52m) a rise of 17 per cent.

However, in the second half they will be adversely affected by the reduction in the crude oil price, effective from June 15, and by the scheduled shut-down of the Argyll field from July 17 to September 7 to allow for modification of the production platform.

Interest income for the first half improved to £2.11m (£1.73m) but tax took more at £5.62m, compared with £4.73m, leaving the net balance at £5.32m (£4.52m).

The available profit emerged at £4.77m (£4.52m) after extraordinary debits of £550,000 (nil) which were the expenses incurred in connection with the share offer.

Stated earnings per 10p share advanced by 1.6p to 10.6p, but no interim dividend is recommended—as stated in the offer for sale documents it is intended to pay a dividend of 1p for the year ending December 1981.

Taxable profits for 1980 as a whole totalled £18.87m.

Production during the half year declined to 2.15m barrels (3.02m) due to unusually severe weather and mechanical difficulties.

This reduction in volume was largely offset by the higher price of oil established by BNOC from January 1 to June 14.

Tax was charged in accordance with SSAP 15 and was calculated having regard to allowances and tax rates expected to apply for the full year. No PRT liability or supplementary petroleum duty has arisen on oil sales in the past and in the opinion of the directors, based on expected production levels, no material liability for PRT or supplementary petroleum duty is expected to arise in the foreseeable future.

C. Walker improves first half

PRE-TAX losses of **C. & W. Walker Holdings**, engineering contractor, were down from £367,000 to £333,000 for the 26 weeks ended August 1 1981, but the directors say in view of the slow recovery the interim dividend has again been omitted — the last distribution was a 2p final for 1979.

Losses amounted to £965,791 pre-tax for the year ended January 31 last, on turnover of £9.24m. First half turnover was down slightly at £4.96m against £5.14m.

The directors say the rate of group losses is being reduced and steady progress is being made towards recovery. The rate of loss fell substantially during the second quarter and present indications are that this will be at a much lower level in the third and fourth quarters, "making further progress to full recovery in 1982."

Lack of orders and depressed margins are stated as being major factors in the group's slow recovery. There has been a significant improvement in recent weeks, however, in the order intake, particularly in the Walker Engineering and Lakers (Northern) companies.

There was no tax figure and the retained loss was £333,000, compared with £422,000 last time after an extraordinary debit of £55,000.

Loss per share is given as 8.29p (9.14p).

With effect from October 1 last, Mr G. Lewis relinquished his position as managing director to concentrate on the role of executive chairman. At the same time Mr T. B. Madden was appointed managing director with overall responsibility for all subsidiaries. He was previously managing director of F. Atkinson (Nottingham), where the general manager is now Mr R. A. Kemp.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$425	—	—	12	54 B	—	—	$448
GOLD C	$450	28	19	20	39	—	—	"
GOLD C	$475	25	10A	—	—	—	—	"
GOLD C	$500	3	4	14	18	—	—	"
GOLD C	$550	5	1.50	—	—	—	—	"
GOLD P	$400	5	4	—	—	—	—	"
GOLD P	$475	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
		Oct.		Jan.		April		
ABN C	F.300	10	0.50	—	—	—	—	F.286.50
AKZO C	F.17.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.23
AKZO C	F.20	34	3.50	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO C	F.22.50	25	0.50	10	2.30 B	11	4.20	"
AKZO C	F.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HEIN C	F.55	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.48.20
KLM C	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.89.50
KLM C	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	F.90	243	2.50	105	7 B	11	9	"
KLM P	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL C	F.140	25	4.80	33	11.50 B	[illegible]	[illegible]	F.142
NEDL C	F.150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL C	F.160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL P	F.130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NATN C	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.114.80
NATN C	F.115	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.17.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.19.40
PHIL C	F.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.22.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL C	F.27.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.17.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
POLA C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RD C	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.77.40
RD C	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD C	F.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD P	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD P	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD P	F.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL C	F.130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.140
UNIL C	F.150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL C	F.170	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL P	F.140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
UNIL P	F.150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
		Nov.		Feb.		May		
SLUM C	$60	—	—	19	4	—	—	$57½
VW C	DM.140	10	1.20	—	—	—	—	DM132

TOTAL VOLUME IN CONTRACTS 2993

A=Asked B=Bid C=Call P=Put

Hunt and Moscrop advances

WITH second-half pre-tax profits advancing from £50,113 to £242,269, **Hunt and Moscrop (Middleton)** reports an increase from £258,113 to £467,269 for the full year to June 30 1981. Turnover of this industrial machinery manufacturer rose from £20.04m to £21.93m.

The directors say that trading in the UK continues to be very difficult with no sign of an apparent upturn in business. The company has in the last 12 months concentrated the majority of its sales effort into exporting and seeking out new overseas markets, and they see these sales as a growing proportion of its total business.

It has continued with its re-organisation programme with a view to further improving efficiency.

The pre-tax figure was struck after interest charges down from £326,263 to £261,466, and associates losses of £18,003 (£19,384). Stated earnings per 5p share have improved from 0.94p to 2p, and the final dividend is little changed at 0.54p compared with 0.5425p for a same-again total of 0.9p.

Sanderson Murray pays same

WITH some improvement in the last quarter, **Sanderson, Murray and Elder (Holdings)** came back into profit in the second half, but for the full year ended June 30 1981 this woolcomber and man-made fibre processor went £13,309 into the red pre-tax, compared with profits of £42,067 previously.

At midway the deficit was £22,000 (£31,000 surplus) and the directors said there was no overall improvement from which to anticipate a profit in the second six months.

They now state, however, that despite the improvement in the final three months it does not yet "herald in our view a sustained change in market conditions."

The dividend is maintained, however, at 2p net per 50p share. After tax of £16,676 (£16,675) and minorities £867 (same), the attributable loss was £30,852 (£24,525 profit).

Group turnover moved ahead from £4.81m to £5.26m. The directors explain that wooltop sales volume was maintained, though at lower margins, but activity on the man-made fibre and coloured topmaking plants was more disappointing.

Loss per share is given as 1.6p (1.3p earnings) and after dividends' cost of £38,000 (same), the resulting loss of £68,852 (£13,475 loss) was transferred from reserves.

CCA loss is £92,858 (£687 profit).

Exco plans London flotation

Exco International, the holding company for **Astley and Pearce**, the second largest London money broking group, is planning to float its shares on the Stock Exchange before the end of the year.

Mr John Gunn, managing director, said the company would make about a quarter of its equity capital available to the market and some new funds would be raised. Timing would depend on market conditions.

Exco had pre-tax profits in 1980 of £5.9m, compared with £3.1m in 1979. St. Mary Axe, which is 69.2 per cent owned by British and Commonwealth Shipping, has a 25 per cent interest, unit trusts managed by Save and Prosper have 11 per cent and directors and employees the rest.

Exco is advised by N. M. Rothschild and Co. and its brokers are Grieveson, Grant.

IN BRIEF

BRITISH EMPIRE SECURITIES AND GENERAL TRUST—Second interim in lieu of final 0.65p making 0.85p (same) for year ended September 30 1981. Revenue £211,553 (£211,046) after tax £92,073 (£91,577). Earnings per share 1.0413p (1.0388p)

ALTIFUND—Interim dividend on income shares 2.5p (same), and on capital shares 0.125p (same) for year to March 31 1981, payable on November 27.

EMESS LIGHTING—Results for the year to June 30 1981 reported October 3. Shareholders' funds £1.23m (£1.05m). Fixed assets £421,502 (£434,150): net current assets £387,918 (£436,260). Decrease in cash resources £270,652 (£150,439 increase for 15 months to end-June 1980). Meeting: 211 Piccadilly, W. Oct 29, 11.30 am.

DOWDING AND MILLS (electrical, mechanical engineer)—Results for year ended June 30 1981 reported September 25. Group fixed assets £4.33m (£4.28m); net current assets £2.09m (£1.£[illegible]m); shareholders' funds £6.32m (£6.12m); net liquid funds increased by £921,746 (£80,230 decrease). Meeting, Birmingham, November 2, noon.

STOCKHOLDERS FAR EAST INVESTMENTS—Net asset value per share at September 30, 1981 was U.S.$1.96.

WHITWORTH ELECTRIC (HOLDINGS) (wholesale distributor of electrical components)—Results for year to March 31, 1981, reported September 3. Shareholders' funds £3.7m (£3.05m); fixed assets £766,138 (£738,045); net current assets £2.84m (£2.24m); increase in working capital £629,638 (£458,500). Meeting: Great Western Royal Hotel W, October 30, 3 pm.

STOCKHOLDERS FAR EAST INVESTMENTS—Net asset value per share U.S.$1.96 at September 30, 1981

GROUP LOTUS CAR COMPANIES—Results for 53 weeks ended January 2, 1981, reported September 24. Group fixed assets £4.49m (£3.64m); current assets £5.87m (£7.72m); current liabilities £5.35m (£6.76m); shareholders' funds £5m (£2.98m). Meeting, Norwich, November 4, 12.15 pm.

SURMAH VALLEY TEA—Dividend 1p (2.25p) net for 1980. Pre-tax profit £54,227 (£73,026), tax £24,312 (£22,885). Turnover £733,196 (£704,113). Earnings per 25p share 3.74p (6.27p).

Ruberoid surge lifts interim

A SURGE in first-half taxable profits have been achieved by **Ruberoid**, the building products, specialist sub-contracting, paper and plastics group, and it is raising the interim dividend from 1.1p to 1.3p net per 25p share.

On turnover 8 per cent higher at £23.01m (£21.3m), the pre-tax surplus for the six months to June 30 1981 improved 27 per cent to reach £1.03m against £805,000. Contracting activities accounted for most of the sales increase.

Earnings per share are stated as 6.09p (4.09p).

In 1980 the total payout was 3.75p net on pre-tax profits of £2.27m.

Mr Thomas Kenny, the chairman, describes current trading as satisfactory, but makes no specific prognosis for the second half.

An allotment of 1.4m ordinary shares is, subject to shareholders' aproval, to be made to the National Coal Board Pension Funds, in order to replace the funds employed in acquiring Catalin, a manufacturer of industrial resins and resin treated papers.

The price of the placement will be the average quotation for Ruberoid in the five business days starting today, and the shares will rank for the interim dividend. Shareholders are being circularised and their approval will be sought at an extraordinary meeting on November 9.

The cash offer, recommended by Catalin, was made in August, and by early September acceptances had been received for more than 90 per cent of its equity. For the purchase of all 1.7m 25p shares at 70p the outlay amounts to some £1.3m.

The chairman had said in his annual report last December that the company was aiming to broaden its base of activities by expanding into related markets and that acquisitions might have a part to play.

Tax for the current period, payable and deferred, took £393,000 (£381,000). With £135,000 (£114,000) allocated to dividends the retained profits emerge at £497,000, against £310,000.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—W. Canning, Debenhams, J. E. England (Wellington), Firmin, Helene of London, Minster Assets, Molins, Reed Executive, Scottish Television.

Finals—Armour Trust, Courtney Pope, Ingall Industries, Lister.

FUTURE DATES

Interims:—

Advance Securities	Oct 28
Energy Services and Electronics	Oct 14
Gerrard and National	Oct 19
Hey (Norman)	Oct 22
Lee Cooper	Oct 15
Sun Life Assurance	Oct 21

Finals:—

Amber Day	Oct 16
Marler Estates	Oct 15
News International	Oct 15
Pearce (C. H.)	Oct 15
Rosehaugh	Oct 13

LONDON TRADED OPTIONS

Oct. 8. Total Contracts 1,961. Calls 1,562. Puts 399

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	260	40	20	58	—	64	—	295p
BP (c)	280	20	38	40	63	46	—	"
BP (c)	300	8	45	28	55	35	15	"
BP (c)	330	2	1	17	38	—	—	"
BP (c)	410	1	—	¾	4	—	—	"
BP (p)	280	7	1	15	6	20	5	"
BP (p)	300	13	30	4	—	32	—	"
BP (p)	330	—	—	—	—	48	40	"
BP (p)	350	56	—	56	10	—	—	"
BP (p)	360	—	—	—	—	76	50	"
CU (c)	130	15	5	18	25	25	—	142p
CU (c)	140	7	10	9	15	14	—	"
CU (c)	160	8	—	3	—	5	10	"
CU (c)	200	½	—	—	—	—	—	"
Cons. Gld (c)	460	32	1	53	—	70	—	485p
Cons. Gld (c)	500	8	50	37	17	45	2	"
Cons. Gld (c)	550	1	—	17	1	27	5	"
Cons. Gld (p)	460	10	3	20	—	28	—	"
Cons. Gld (p)	500	25	2	35	—	42	—	"
Court'lds (c)	50	6	—	10	120	12	—	54p
Court'lds (c)	60	1	28	4	—	6½	—	"
Court'lds (c)	70	⅛	—	2½	70	3	—	"
GEC (c)	650	52	47	90	—	110	—	694p
GEC (c)	700	17	—	53	22	80	—	"
GEC (c)	750	4	5	30	—	57	—	"
GEC (c)	800	1	—	17	—	37	1	"
GEC (c)	850	½	—	10	—	20	1	"
Gr'd Met. (c)	160	16	—	24	5	30	—	170p
Gr'd Met. (p)	180	3½	100	14	120	18	2	"
Gr'd Met. (p)	160	4	—	9	2	14	—	"
ICI (c)	240	25	14	38	—	48	—	262p
ICI (c)	260	10	50	26	—	35	—	"
ICI (c)	280	3	3	15	34	25	—	"
ICI (c)	300	1	—	11	1	15	1	"
ICI (p)	240	3	—	9	3	15	—	"
ICI (p)	260	8	38	15	2	20	—	"
ICI (p)	280	22	—	24	—	25	10	"
Land Sec. (c)	288	11	—	24	4	—	—	290p
Land Sec. (c)	313	4	—	12	31	—	—	"
Mks & Sp (c)	120	3	—	9½	7	14	—	117p
Shell (c)	330	20	85	37	7	52	—	344p
Shell (c)	360	5	2	22	2	34	4	"
Shell (c)	390	1½	—	12	—	20	5	"
Shell (p)	330	6	10	14	23	16	10	"
Shell (p)	360	20	—	24	5	28	—	"
		November		February		May		
Barclays (c)	420	15	2	32	—	40	—	413p
Barclays (c)	460	4	—	15	25	23	—	"
Imperial (c)	60	3½	1	5	5	6	4	60p
Lasmo (c)	390	122	—	137	2	150	—	508p
Lasmo (c)	420	92	—	112	—	125	2	"
Lasmo (c)	460	52	—	84	—	97	—	"
Lasmo (c)	500	34	19	57	2	77	—	"
Lasmo (c)	550	12	—	34	25	52	—	"
Lasmo (c)	600	7	7	20	26	27	—	"
Lonrho (c)	70	11	—	14	10	15	—	76p
Lonrho (c)	80	5	1	8	—	10	—	"
Lonrho (c)	90	1½	—	5	41	6	—	"
Lonrho (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
P & O (c)	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P & O (c)	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Racal (c)	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Racal (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RTZ (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ (c)	500	27	15	50	30	65	—	"
RTZ (c)	550	14	—	30	6	45	3	"
RTZ (p)	460	15	1	22	1	25	—	"
RTZ (p)	550	72	2	77	—	82	—	"
Vaal Rfs. (c)	70	56	1	90	2	110	—	$71

C=Call P=Put

Mining Supplies

Designers and manufacturers of mining machinery, forgings and steel alloy castings. Structural and electrical engineers

Results in brief	Fifty-three week period ended 2nd May, 1981	Fifty-two week period ended 26th April, 1980
	£'000	£'000
Turnover	50,971	24,543
Group profit before tax	2,380	3,310
Group profit after tax	2,743	1,842
Earnings per share	11.8p	8.2p
Net dividend per share	2.0p	2.0p

Reporting to shareholders Mr. Arthur Snipe, Chairman and Managing Director, said:

Mining Supplies: Turnover and profit maintained at a good level. Exports for mining equipment increased and order book mainly made up of export orders. At present enquiries remain quite strong. Results of **Mechforge Limited** affected by almost complete fall-off in demand from the material handling industry. **Mech Cast Limited** and **Mech Construction Limited** both performed reasonably well, making a useful contribution to profits.

Laurence Scott: The group, acquired in October last year, continued in a loss making position. Rationalisation and re-organisation programmes put in hand and the Board look to the group as a whole to make a contribution to profits in the not too distant future."

For a copy of the annual accounts and the full chairman's statement, please write to: The Secretary, Mining Supplies Limited, Hillcrest Works, Carr Hill, Balby, Doncaster, South Yorkshire, DN4 8DH.

هكذا من الأصل

Diamond Stylus buying rest of Elgin

In exchange for 1,276,114 ordinary shares Diamond Stylus is to acquire the outstanding 50 per cent of the ordinary of Elgin Diamond Products (Europe) from Katy Industries.

This will enable the cash assets of both companies to be handled more efficiently and will reduce Diamond's overdraft by £30,000.

Elgin manufactures diamond grinding wheels, tools and abrasives in the UK and sells its products both here and overseas.

Net asset value of the 50 per cent holding in Elgin at March 31 1981 was £154,239. Profits before tax attributable to 50 per cent of Elgin for the year ended March 31 1981 were £22,051.

Katy, through its wholly owned subsidiary British La Bour Pump, currently holds 29.62 per cent of the Diamond ordinary capital and upon completion of the transaction will control 49.95 per cent. In view of this it will be necessary to have the prior approval of shareholders.

The approval of the Panel to the waiver of the Rule 34 bid obligations of the vendors of Elgin is being sought.

ASSOCIATES DEAL

RCF Holdings — Capel-Cure Myers as brokers to Bardsey purchased 30,000 RCF ordinary shares at 24p on behalf of London and European Assets, a subsidiary of Bardsey.

European bankers move to back Craigmount

BY TIM DICKSON

Société Financière Européenne SFE—Luxembourg (SFE) has agreed in principle to acquire 70 per cent of Craigmount Investment Management and its wholly owned subsidiary, Craigmount Unit Trust Managers.

SFE is an international consortium merchant bank whose nine shareholders are Algemene Bank Nederland, Banca Nazionale del Lavoro, Bank of America, Banque Bruxelles Lambert, Banque Nationale de Paris, Barclays Bank International, Dresdner Bank, The Sumitomo Bank and Union Bank of Switzerland. Its assets are roughly $2.8bn and its principal operating entities are located in Paris and Nasau, Bahamas.

Craigmount, on the other hand, is an investment management group founded by four Tyndall Group employees in May 1978 which runs unit trust and private clients' funds totalling about £7m. In addition Craigmount has recently sponsored several partnerships (total value about £5m) for individuals and corporations to explore for oil and gas in the U.S. and Canada.

SFE's price is understood to be based on 4 per cent of the unit trust and private client assets. The group has about 2,000 unitholders with an average holding of £2,500.

SFE is in the process of building up an international asset management operation and earlier this year acquired a controlling interest in Estabrook Capital Management Inc. of New York.

The idea is that with SFE's backing Craigmount will strengthen its presence in the UK market and broaden its international coverage. The company is keen to develop its offshore activities and is considering establishing a base in Singapore.

A couple of new unit trusts will be added to the eight existing funds, but the new combination has its eye particularly on the large number of pension funds looking for worldwide investment management.

Mr Ken Renton, Craigmount managing director, said yesterday he is "extremely pleased" about the new developments. "With the extra financial muscle we will be able to open new doors and move from the second division into the first division.

"There comes a point when as a company you arrive at your small platform, but then need the backing of someone much bigger. Investment management these days is increasingly international and to grow larger you have to spend a lot of money."

Mr Renton and the three other directors, Mr Richard Latham, Mr Bob Armstrong and Miss Ann Sharples will keep a 30 per cent stake in the business and will continue to exercise day to day control.

BANK RETURN

	Wednesday Oct. 7 1981	Increase (+) or Decrease (—) for week	
BANKING DEPARTMENT			
Liabilities	£		£
Capital	14,553,000		—
Public Deposits	44,690,631	—	1,072,453
Bankers Deposits	469,530,819	—	165,476,287
Reserve & other Accounts	1,501,753,286	—	136,374 095
	2,030,507,736	—	302,922,835
Assets			
Government Securities	480,801,450	—	157,553,306
Advances & other Accounts	1,003,621,894	—	55,579,148
Premises Equipment & other Secs.	529,101,629	—	90,742,617
Notes	16,630,769	+	755,577
Coin	251,994	—	23,341
	2,030,507,736	—	302,922,835
ISSUE DEPARTMENT			
Liabilities	£		£
Notes issued	10,650,000,000		—
In Circulation	10,633,369,231	—	755,577
In Banking Department	16,630,769	+	755,577
Assets			
Government Debt	11,015,100		—
Other Government Securities	8,925,249,043	—	211,714,445
Other Securities	1,713,735,857	+	211,714,445
	10,650,000,000		—

AECI

AECI LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO PREFERENCE SHAREHOLDERS DIVIDEND No. 87

Notice is hereby given that on 3 September 1981 the Directors of AECI Limited declared a dividend at the rate of 5.5 per cent per annum for the six months ending 15 December 1981 payable on that date to holders of preference shares registered in the books of the Company at the close of business on 30 October 1981.

The dividend is declared in United Kingdom currency and cheques in payment will be posted from the offices of the transfer secretaries in South Africa and the United Kingdom on 11 December 1981.

Dividends payable from Johannesburg will be paid in South African currency at the rate of exchange ruling on 18 November 1981.

Any change of address or dividend instruction involving a change in the office of payment, if intended to apply to this dividend, must be received on or before 30 October 1981 and members must, where necessary, have obtained the approval of the South African Exchange Control Authorities and, if applicable, the approval of any other Exchange Control Authorities having jurisdiction in respect of such changes. Changes of address or dividend instructions to apply to this dividend which do not involve a change in the office of payment must be received not later than 1 December 1981.

In terms of the Republic of South Africa Income Tax Act 1962 (as amended) dividends payable to persons not ordinarily resident nor carrying on business in the Republic or to companies not registered nor carrying on business in the Republic are subject to deduction in respect of non-resident shareholders' tax at the rate of 13.7625 per cent.

With regard to cheques despatched from the United Kingdom office, United Kingdom income tax, at the basic rate less, where applicable, the appropriate double tax relief, will be deducted from the dividends paid except in cases where the holder's address and the address to which the dividend is sent are both outside the United Kingdom and in cases (if any) where the company has received from the Inspector of Foreign Dividends in Great Britain a certificate exempting the dividend from United Kingdom income tax.

The transfer books and registers of members in Johannesburg and the United Kingdom will be closed from 31 October 1981 to 13 November 1981 both days inclusive.

Carlton Centre
Johannesburg
9 October 1981

By order of the Board
J. J. LOW
Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited
62 Marshall Street, Johannesburg, and
Charter Consolidated Limited, Charter House,
Park Street, Ashford, Kent, England.

IBJ

The Industrial Bank of Japan, Limited

London Floating Rate Certificates of Deposit

$10,000,000

due October 15th 1984

For the six months October 13th 1981 to April 13th 1982 the C.D.'s will bear an interest rate of 18 1/16% per annum.

Agent Bank

Samuel Montagu & Co. Limited

Wiggins Teape mill sale

Wiggins Teape, the paper manufacturing subsidiary of BAT Industries, has confirmed the terms of a formal offer to sell its Fort William pulp mill at a price substantially lower than earlier indications.

Wiggins Teape closed the mill last year, but has since discussed its sale with a number of interested parties, most particularly Mr John Robertson of Lochaber Timber Industries in a consortium with Mr Brian Elias, a former Wiggins Teape employee.

The company has offered to sell the mill's plant and equipment to the consortium for £500,000 and to lease the mill's land at a nominal rent for 50 years with an option for the lessee to renew the lease for another 50 years. Quoted earlier at around £1.5m, the purchase price has been revised, according to the company, in the absence of any other prospective buyers.

FIRST PENNSYLVANIA/ ANG. METROPOLITAN

Reasons for the delay in the proposed offer by First Pennsylvania Mortgage Trust to acquire the capital of Anglo Metropolitan Holdings—first announced last May—have been spelt out in a statement by Anglo's directors.

They say the offer is subject to clearance of a registration statement by the U.S. Securities and Exchange Commission. The information required to be incorporated in the registration statement is extensive and, in the case of Anglo and its subsidiaries, all historical financial information must be restated to conform with U.S. general accepted accounting practice.

The statement says the latter requirement involves a considerable amount of additional work in view of Anglo's financial history, in particular the 1978 capital reconstruction and the fact that Anglo's major subsidiary, Calgary and Edmonton Land Company, was, until recently, in liquidation. The statement concludes that it remains the intention of the boards of FPMT and Anglo to effect a merger of the two companies on the previously announced terms and both boards are using their best endeavours to meet the SEC requirements.

First Pennsylvania is a U.S. real estate investment trust.

J. CARTWRIGHT PURCHASE

Joseph Cartwright, the Weybridge-based building and civil engineering group, has acquired L. Brown and Sons, a builder and contractor, of Wilmslow, Cheshire.

Brown will continue to trade from its Wilmslow headquarters under its present name as a subsidiary of Cartwright's building subsidiary, J. Cartwright Construction of Leeds.

Cartwright has been engaged in building and civil engineering since 1936. With the acquisition, the group now has 1,000 employees and turnover in excess of £30m.

M. J. H. Nightingale and Co. acted as financial advisers to Cartwright in the deal.

WESTBRICK PRODS.

The offer by C. H. Beazer (Holdings) for Westbrick Products is unconditional in all respects and remains open.

Barlow has 6.8% stake in Blantyre

Barlow Holdings yesterday revealed that it held a 6.85 per cent share stake in Blantyre Tea Holdings, the Malawi tea grower, which is the subject of a bid from Eastern Produce (Holdings).

Barlow said that this was not a new shareholding but had been held within the company since it was formed from the merger of four rubber companies in July 1979. The size of the holding had come to the company's attention as a result of the bid for Blantyre.

There is a legislative requirement that any holding of 5 per cent or over in a company must be disclosed. The Department of Trade is seeking an explanation for this infringement of the disclosure requirements and will consider the matter.

BROOKE TOOL BUYS GREEN & BINGHAM

Brooke Tool Engineering (Holdings) has completed the acquisition of 92 per cent of the capital of Green and Bingham, which makes coal cutting heads and ancillary equipment for the mining industries.

Brooke is already a major supplier of coal cutting picks through its subsidiary, Tungsten Carbide Developments.

Initial consideration for the shares was satisfied by the payment of £797,172 and the issue of 180,000 shares in Brooke Tool.

In the year to February 28, 1981, Green and Bingham made a pre-tax profit of £216,532. The total net assets of the company at that date amounted to £649,594.

EASTERN PRODUCE/ UNOCHROME

Eastern Produce (Holdings) has received acceptances to its offer for Unochrome Industries in respect of 10,223,128 ordinary shares, equivalent to 61.06 per cent of Unochrome's equity. These shares, together with the 5,010,000 (29.93 per cent) held immediately prior to the announcement of the offer, total 15,233,128 (90.99 per cent).

No Unochrome shares have been acquired since the offer except those under the acceptances. The ordinary offer has been declared unconditional and remains open for acceptances.

MIM/ASARCO

Following the announcement on June 25 1981, M.I.M. Holdings has concluded purchases of approximately 16 per cent of the issued and outstanding common stock of Asarco Inc.

TRAFALGAR TRAVEL

The Trafalgar Travel Group has acquired the capital of Marina Holidays and Marina Travel through its associate, Tom Hill Holdings.

McLeod buys more Warren

McLeod Russel, the plantations group, yesterday acquired 140,000 shares in Warren Plantation Holdings, the tea producer in which it has gained a controlling stake. McLeod paid 240.5p per share for its latest stake, placing a value of £336,700 on the block of shares.

McLeod now owns or has irrevocable undertakings to accept its offer for Warren in respect of a total of 5,402,162 ordinary shares representing 51.3 per cent of the capital.

McLeod's bid, which places a value of £25.31m on Warren, has been made as a cash and convertible share offer.

McLeod is offering Warren shareholders 171.69p in cash per share and 55p nominal of 8.4 per cent £1 convertible cumulative redeemable preference shares. The value of 55p nominal of the convertible shares is 68.81p.

The increased offer, says McLeod, is therefore equivalent to 240.5p per Warren ordinary.

The preference shares will be convertible in each of the years 1982 and 1996 between September 15 and October 14 inclusive on the basis of one ordinary share of £1 in McLeod for every three convertible shares (representing a conversion price of 300p per McLeod ordinary share).

The directors of McLeod have also stated that they intend, to the extent that profitability permits, to increase ordinary dividends for the two financial years ending March 31 1983 at a compound rate no greater than 10 per cent per annum, based on the dividend paid in respect of the year ended March 31 1981.

Thereafter it would be the intention to accelerate the rate of increase.

ORCHARD-MOSS ACCEPTANCES

Orchard Holdings offer for Robert Moss has been accepted in respect of 6,590 shares (0.07 per cent). Prior to the offer Orchard held 2.6m shares (26 per cent) and parties deemed to be acting in concert with Orchard owned a further 3,001,476 shares (about 30 per cent). The offer has now closed.

In view of the small number of acceptances, and in the light of the current market price of some 38p per share (compared with the 32p cash offer) the shares for which valid acceptances have been received have been sold through the market and the net proceeds of sale will be remitted to those shareholders who accepted the offer.

KIO has over 5% of Dawson Intl.

The Kuwait Investment Office (KIO), one of Britain's largest institutional investors, yesterday disclosed a stake of over 5 per cent in Dawson International, the Edinburgh based textiles and knitwear group.

The KIO announced that it had acquired a further 1.1m ordinary shares in the company taking its holding up to 4,587,000 shares. This represents 5.297 per cent of the company's capital. At yesterday's price of 118p (down 1p) this holding is valued at £5.41m.

ALEXANDER HOWDEN

J. Henry Schroder Wagg and Co, advisers to Alexander Howden Group, has sold 27,500 shares at 138p each on behalf of discretionary investment clients. Schroder Wagg has also sold on behalf of discretionary investment clients, 122,000 Howden shares at 140p and 50,000 at 138p.

De Zoete and Bevan, acting on behalf of Alexander and Alexander Services, has bought 150,000 Howden shares.

TANKS CONSD.

Between noon on October 5 and noon on October 7, Societe Generale de Belgique purchased 394,240 ordinary stock units (2.3 per cent) of Tanks Consolidated Investments at 450p each.

SPIRAX-SARCO

Spirax-Sarco Engineering, a leader in the control of steam hot water and compressed air has announced that Spirax-Sarco Europe and Spirax-Sarco International, which co-ordinate the overseas operations of the group will be integrated into the UK operating company, Spirax-Sarco.

Spirax-Sarco will become responsible for the worldwide operations of the group's steam specialty interests.

ARBUTHNOT LATHAM

County Bank has bought 140,000 ordinary shares in Arbuthnot Latham Holdings on behalf of Dow Scandia at 309p each and a further 25,000 shares at 308p.

Arlington £1.3m purchase

Arlington Motor Holdings' subsidiary Arlington Motor Company has agreed to purchase from Lloyds and Scottish its subsidiary company, C.V. (Sales and Repairs), a Leyland vehicle distributor at Basildon, Essex, for £1.3m.

The trade territory which C.V. holds in Essex will be merged with the East London territory held by Arlington. At the same time Arlington will transfer the business carried on at Chadwell Heath to Basildon and its freehold premises at Chadwell Heath will be disposed of.

The final purchase price will be computed on the basis of an audited balance sheet as at September 30, 1981, and an adjusting payment will be made upon completion of the audit.

The net assets of C.V. at September 30, 1980, amounted to £1.34m including leasehold premises of £365,566 and net current assets of £968,824.

The losses before tax of C.V. for that year were £156,850, influenced by adverse trading at the company's South Wales locations together with costs associated with the disposal of these.

It is expected that the amalgamation of the two trade territories will improve the prospects for Arlington's truck activity in this area by bringing a larger volume of business with a lower investment.

SHARE STAKES

Second City Properties—Control Securities has purchased a further 440,000 shares (2.33 per cent). This, together with Control Securities' present holding and that of the major shareholder, Labofund AG, brings the total holding to 3,833,125 shares (20.34 per cent).

Marshall's Universal — Esal (Commodities) has increased its holding by a further 255,000 ordinary shares (3.33 per cent). The total holding is 796,250 (10.42 per cent).

Ductile Steels—Caparo Industries acquired 100,000 ordinary shares, thereby increasing its holding to 2.35m.

Pentland Investment Trust—Courtaulds Pension Common Investment Fund now holds 1.45m ordinary (8.31 per cent). The shares are held in the name of Courtaulds CIF nominees.

Globe Investment Trust—The trustees of the National Coal Board Staff Superannuation Scheme, the Mineworkers' Pension Scheme, the Coal Industry Benevolent Trust and the Mining Contractors' Pension Scheme now hold 34,999,043 shares (21.40 per cent). This was lifted above the 21 per cent level by the purchase of 2.75m shares on September 23-24.

BPC—Mr Robert Maxwell, chairman and chief executive, has purchased the following shares in BPC: On September 24 10,000 7¾ per cent non-cumulative preference shares at 39½p; on September 25 25,000 7¾ per cent non-cumulative preference shares at 39p; and on September 28 50,000 ordinary shares at 18½p.

Leda Investment Trust—Commercial Union Assurance has purchased 185,000 income shares, increasing the holding to 615,000 (12.35 per cent) of that class.

Bisichi Tin — Jantar has acquired 30,000 shares. According to the company's records, Mr E. Nassar/Jantar and associates now hold 804,500 shares (12.32 per cent).

Reliant Motor—T. M. Trading has purchased a further 25,000 shares, making its total 755,000 (13.6 per cent).

Glanfield Lawrence—Bernard A. Fellowes has a beneficial interest in 104,000 "B" ordinary shares (7.51 per cent). He has informed the company that through nominees he purchased 69,000 of these shares in March 1981, a further 25,000 on September 22 and 10,000 on September 28.

Gestetner Holdings—J. A. Barnett, director, as a trustee of Sigmund Gestetner's settlement, disposed of 1m ordinary shares (0.9 per cent) to hold 10.7 per cent.

Explaura Gold — Lieut-Commander C. G. De L'Isle Bush, director, disposed of 150,000 shares.

Alexanders Holdings—Mr H. Clayton, director, has purchased 35,000 ordinary shares.

Avana Group—Northern Foods has purchased a further 461,271 ordinary shares.

Brown and Tawse—Following a legacy received on September 21 of 29,724 ordinary shares, the interest of S. D. Rae has increased to 732,127 (7.05 per cent).

Cedar Investment Trust—Following the issue of further ordinary shares on conversions of the 9 per cent convertible unsecured loan stock in February this year, the ordinary holding of Industrial and General Trust has fallen below 5 per cent.

Dualvest—Commercial Union Assurance is the beneficial owner of 570,000 income shares (6.33 per cent).

Electronic Rentals Group—Mr R. K. Black, director, has sold 25,000 ordinary.

London Investment Trust—Mr J. S. Arthur has acquired an indirect interest in a further 100,000 ordinary. Together with his family interests he is now interested in 1.74m.

Hoskins—Claxton and Garland has purchased 25,000 ordinary stock units, bringing holding to 215,400 (8.1 per cent).

Marine Adventure Sailing Trust—Sortplan is beneficially interested in 45,000 ordinary shares (6 per cent).

Muirhead—CYT Corporation, a wholly-owned subsidiary of Tyco Laboratories, has increased its holdings to 2,306,500 ordinary shares (27.19 per cent) by the purchase of a further 100,000. As previously announced, Tyco intends to increase its interest in Muirhead to 2,431,500 ordinary (28.66 per cent).

Murray Glendevon Investment Trust—As a result of recent purchases, Courtaulds Pensions Common Investment Fund holds 1.65m ordinary shares (16.5 per cent).

Racal Electronics—Sir Ernest Harrison, chairman, has sold 70,000 ordinary shares.

Reliant Motor—T. M. Trading has purchased a further 50,000 ordinary shares making holding 805,000 (14.5 per cent).

Star Computer Group—Mr Bruce McK. Candlish has sold 30,000 ordinary and now holds 5,000.

Tranwood Group—Mr L. M. James, the chairman, has sold 25,000 ordinary.

General Scottish Trust — Courtaulds Pensions Common Investment Fund now holds 1,275,000 ordinary (6.48 per cent).

MDW INTERIM

As foreshadowed on October 6, the directors of M. D. W. Holdings have declared an interim dividend of 1.5p payable on November 12.

It is intended to announce the results for the first half of 1981 on the same day as the offer

15¾%* on deposit and write your own cheques - Tyndall & Co. Money Fund

Now, with the Tyndall & Co. Money Fund you can benefit from really top rates for deposits - and still keep your funds immediately accessible.

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Interest is credited to your account quarterly, without deduction of tax. There are no charges.

*Current rate. Rate published daily in the Financial Times.

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Telephone: Bristol (0272) 32241.

FT9/10/81

Tyndall & Co.

Licensed by the Bank of England to take Deposits.

Anglo American Investment Trust Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT AND NOTICE OF DIVIDEND

The following are the unaudited financial results of the company for the six months ended September 30 1981, together with the comparative figures for the six months ended September 30 1980 and the year ended March 31 1981.

	Six months ended 30.9.81	Six months ended 30.9.80	Year ended 31.3.81
	R000	R000	R000
Investment income			
Associated company	24 286	24 286	72 857
Other	2,951	5 299	20 294
Interest earned	838	154	495
	28 075	29 739	93 646
Administration and other expenses	581	622	1 263
Profit before taxation	27 494	29 117	92 383
Taxation	340	54	188
Profit after taxation	27 154	29 063	92 195
Preference dividends	150	150	300
Profit before share of retained profit of associated company	27 004	28 913	91 895
Share of retained profit of associated company	44 294	87 629	134 081
Profit attributable to ordinary shareholders	71 298	116 542	225 976
Ordinary dividends	26 000	26 000	89 000
	45 298	90 542	136 976
Number of ordinary shares in issue	10 000 000	10 000 000	10 000 000
Earnings per share			
Excluding share of retained profit of associated company—cents	270	289	919
Including share of retained profit of associated company—cents	713	1 165	2 260
Ordinary dividend per share—cents	260	260	890

Notes

1. For comparative purposes the results for the six months to September 30 1980 have been restated on an equity accounting basis.
2. Sales by the Central Selling Organisation for the period January 1 to June 30 1981 were R748 million compared with R1 628 million for the first six months of 1980 and R875 million during the second half of that year.
3. Particulars of the investment in the listed associated company, De Beers Consolidated Mines Limited, are as follows:

	30.9.81	30.9.80	31.3.81
	R000	R000	R000
Market value	1 830 573	1 243 431	898 573
Carrying value	374 343	283 597	330 049
Appreciation	456 230	959 834	568 524

For and on behalf of the board
H. F. Oppenheimer / J. Ogilvie Thompson — Directors

INTERIM DIVIDEND

An interim dividend (No. 83) of 260 cents per ordinary share (1980: 260 cents) for the year ending March 31 1982 has been declared payable to shareholders registered in the books of the company at the close of business on October 23 1981.

The ordinary share transfer registers and registers of members will be closed from October 24 1981 to November 6 1981, both days inclusive, and warrants will be posted from the Johannesburg and the United Kingdom offices of the transfer secretaries on or about November 26 1981. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on November 17 1981 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the company's transfer secretaries on or before October 23 1981.

The effective rate of non-resident shareholders' tax is 14.9492 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 and Charter Consolidated P.L.C., Charter House, Park Street, Ashford, Kent TN24 8EQ.

By Order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per W. Q. Nicol
Divisional Secretary

Head Office:
44 Main Street
Johannesburg
2001

London Office:
40 Holborn Viaduct
London EC1P 1AJ

October 9 1981

Flood of new issues in Eurodollar bond markets

BY ALAN FRIEDMAN

THE EURODOLLAR bond market was swamped with a flood of new fixed interest issues yesterday totalling $354m and the secondary market reacted by mid-afternoon with a fall in prices averaging ½ point. Yesterday's new straight Eurodollar bonds were:

● A $150m three-year bond with a 16½ per cent coupon for GMAC Overseas Finance NV, the subsidiary of General Motors' U.S. credit house. The issue was priced through lead-manager Morgan Stanley at 99¾ to yield 16.61 per cent.

● A $100m 10-year bond for the European Investment Bank with a 16¾ per cent coupon. The issue is lead-managed by Hambros Bank and the price has been fixed at 99¾ to yield 16.80 per cent. The bonds are callable in 1987 at 101½, in 1988 at 100¾ and from 1989 at par.

● A $60m five-year bond with a 17¼ per cent coupon for Arizona Public Service, the U.S. utility which carries a Single A-minus rating. Lead-manager is Credit Suisse First Boston and the price is set at par. The bonds are callable in 1984 at 101½ and from 1985 at par.

● A $54m 16-year bond for the Municipal Finance Authority of British Columbia; proceeds will go to 28 regional districts in the Canadian province. The issue carries a 17 per cent coupon, but every four years the borrower will have the option of setting a new coupon. The bondholder will have the option of redeeming the bonds at par every four years. Lead-manager is Credit Commercial de France.

In addition to these new issues, the Eurodollar market was also hit with a $100m floating rate note for the Bank of Nova Scotia. The 12-year bond will carry a minimum coupon of 5¼ per cent and the interest rate will be ¼ point above the six-month London interbank rate. Lead-manager is Credit Suisse First Boston.

A C$40m six-year bond was also launched yesterday for the Hudson's Bay Company, the Canadian retailer. The issue, lead-managed by Morgan Stanley, has an 18 per cent indicated coupon and is callable in the sixth year at par.

In the secondary market yesterday, Eurodollar bond prices fell by ½ point on average, reflecting uncertainty about how much paper can be absorbed.

Lead-managers rushed into the market as soon as a window opened, but by last night there were at least three managers with more unlaunched issues who were wondering whether to go ahead.

In the D-mark foreign bond market, traders were pleased with yesterday's cut in the special Lombard rate to 11 per cent from 12 per cent. After a weak opening in Frankfurt, the market closed with prices up between ½ and ¾ point.

The West German Capital Markets Sub-committee met last night in Frankfurt amid speculation that the new four-week issue calendar would be very large. Traders commented yesterday since the foreign bond market is improving the new coupon for a prime borrower could be around 10 per cent.

The Swiss franc foreign bond market was also strong yesterday, with several recent issues up ¾ point.

The 10-year SwFr 100m World Bank issue through Union Bank of Switzerland was priced yesterday at 99½. The coupon is 8 per cent and yield stands at 8.07 per cent.

A Y20bn 12-year Samurai bond (a yen issue for a foreign borrower) is being launched by the Oesterreichische Kontrollbank, Austria's export credit bank. The issue is lead-managed by Nomura Securities, carries a coupon of 8.8 per cent and is priced at 99.90 to yield 8.13 per cent. This is the first Samurai bond for the bank and the issue is guaranted by the Austrian Government.

U.S. banks show gains for third quarter

By David Lascelles in New York

THE RECENT easing of U.S. interest rates appears to have taken the pressure off U.S. banks and helped them improve earnings in the third quarter.

Chemical Bank of New York, the sixth largest in the country, yesterday reported a 12.5 per cent rise in income before securities transactions. Mr Donald Platten, the chairman, listed higher net interest income, a rise in fees for trust and other services, improved bond trading and a lower effective tax rate among reasons for the increase. The offsetting factors included rising costs, higher loan loss provisions, and lower foreign exchange trading profits.

Income was $50.5m (or $3.03 a share), compared with $44.9m, or $2.88 in the same period last year. This brought income for the first nine months up 25 per cent to $154m.

Chemical said that net interest income in the quarter was $280.1m, up from $256.4 and $830.9m in the nine months, against $471m. The improvement was attributable to higher loan volume, higher average interest rates on its earning assets and growth in interest-free funds, it said.

Bond trading profits were $3.8m in the quarter, compared with a loss of $18.7m while for the nine months, profits were $7.7m against a loss of $16m.

Marine Midland, the upstate New York bank which is controlled by the Hongkong and Shanghai Bank, reported an increase of 79 per cent in earnings, from $12m, or 76 cents a share, to $21.5m, or $1.13 for the quarter.

After nine months profits were up from $42.13m to $63.02m, or from $2.79 a share to $3.29.

Pittsburgh National reported net earnings of $14.3m, or $1.15 a share, for the third quarter compared with the $12.2m of the comparable period.

After nine months, the bank's net earnings of $41.9m, or $3.38 a share, compare with $38m, or $3.07, last time, with the current figure struck after a loss of $4.1m on securities trading and the comparable figure after a similar loss of $3.5m.

$100m credit for British Airways

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRITISH AIRWAYS has discreetly arranged a $100m ten-year Eurocredit on margins which are among the finest ever seen.

The loan bears interest at only ¼ per cent above London interbank rates for the first five years, rising to ⅜ per cent thereafter. It is provided by two large UK banks whose names are being kept a tightly guarded secret.

Besides the low margins, the credit is also exceptional because it carries neither a front-end nor a commitment fee. The overall conditions are thus understood to be finer even than those obtained by French state entities which traditionally pride themselves on obtaining the best terms available.

This reflects the fact that the credit carries a full British Government guarantee. Britain has been reducing its overseas debt steadily since the Conservative Government took office—by the end of the year it is expected to have fallen to about $14bn from $22bn in 1979 — and British-guaranteed credits have thus acquired a certain rarity value.

The credit is part of British Airways' normal borrowing programme. Unlike many other British nationalised industries, the airline is allowed to raise foreign currency credits becuse of the international nature of its business.

Saudi American growth

SAUDI AMERICAN Bank, which was formed last year to take over Citibank's Saudi Arabian operations, made net profits of SR 109m ($32m) in its first five and a half months ended December 30, 1980, writes our Banking Correspondent.

The bank, in which Citibank retains a 40 per cent stake and the management contract, increased its loans by 69 per cent to SR 2.5bn ($735m) between its formation on July 12, 1980, and the end of the year.

Deposits rose by 57 per cent to SR 4.4bn ($1.29bn). At the end of last year it had assets of SR 7.1bn ($2.1bn) and contra accounts (guarantees, etc.) of another SR 3.9bn ($1.16bn), giving total balance-sheet footings of SR 11bn ($3.2bn).

This announcement appears as a matter of record only.

September, 1981

inos

U.S. $157,600,000

Credit Facility

Instituto Nacional de Obras Sanitarias

Venezuela

Arranged by

Credit Suisse First Boston Limited

In association with

Credit Suisse

The following banks participated in the facility

Credit Suisse — The Sanwa Bank, Limited — National Bank of Canada

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

N M Rothschild & Sons Limited — The Bank of Yokohama, Ltd.

The Hokkaido Takushoku Bank, Limited — The Saitama Bank, Limited Singapore Branch

The Yasuda Trust & Banking Company Limited

Banca Nazionale del Lavoro (London Branch) — Banco Pinto & Sotto Mayor — Bank of British Columbia

Banque Européenne pour l'Amérique Latine (B.E.A.L.) S.A. — Banque Intercontinentale Arabe

Banque de Neuflize, Schlumberger, Mallet — The Dai-Ichi Kangyo Bank, Limited

Den Norske Creditbank (Luxembourg) S.A. — Deutsch-Skandinavische Bank AG — Landesbank Stuttgart, London Branch

The Mitsubishi Trust & Banking Corporation — The National Bank of Australasia Limited

Nederlandse Credietbank (Overseas) N.V. — PKbanken International (Luxembourg) S.A.

Salzburger Sparkasse — Security Pacific National Bank — SFE Banking Corporation Limited SFE Group

The Toyo Trust & Banking Company, Limited — Zentralsparkasse und Kommerzialbank, Wien

World's largest semiconductor seller is beset by problems

National Semi chips its image

BY LOUISE KEHOE IN SANTA CLARA, CALIFORNIA

THE ECONOMIC recession is giving a further twist to the pressures on National Semiconductor, the world's second largest seller of integrated circuit semiconductor "chips." Although annual sales broke through the $1bn mark last year, the company is faced with falling profits and with a rash of defections from senior management which have brought it unwelcome attention.

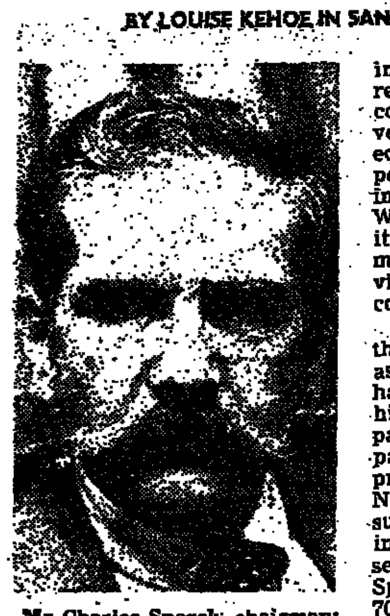
The latest misfortune has been its withdrawal from the development of bubble memory technology—a programme which proved to be tricky technologically and expensive. National was the third major U.S. company to bite the bullet and back out of bubble memories. Texas Instruments and Rockwell had already quit the field.

A year ago the U.S. semiconductor Industry Association was suggesting that its business was recession proof. It was believed that the proliferation of new applications for semiconductor devices would overcome slack demand in other areas. Today, the picture is very different. The industry's latest forecasts suggest that business will follow the performance of the economy—perhaps making a recovery early next year.

National has restated its earnings for fiscal 1981 to show a share total of $2.37 against $2.22 in the previous year. But this included losses in the calculator and watch operations, now discontinued.

Last week, the company announced its results for its first fiscal 1982 quarter ending September 20. Sales were down 2 per cent from the same period last year while earnings were down an uncomfortable 94 per cent.

"The U.S. market has been essentially flat for the past 12 months," comments Mr Charles E. Sporck, National's president. In an industry more accustomed to 25 per cent annual growth, that is a major setback.



Mr Charles Sporck, chairman: "We would react with great animosity to a takeover bid. We would fight it, and not cleanly"

"Europe is a disaster area, business is down a great deal there," he adds. "We are operating on the assumption that business will stay flat until the end of next year. We can live with that, although we don't like it."

National has cut capital spending although it will still invest more than $150m in fiscal 1982 on new and expanded production facilities, according to Mr A. J. Moyer, the vice-president for finance. Redundancies have been avoided, although compulsory plant holidays have been used to run down inventories.

National's problems in the semiconductor market are more visible than those of most of its U.S. competitors, which have diversified interests in other fields, such as communications equipment and computers. Industry analysts suggest that National has fared no worse than others in recent months.

Although National has made some moves to broaden its interests — by buying up the remains of Itel's mainframe computer business, and with a venture into the point-of-sale equipment market — almost 80 per cent of its business is still in semiconductor components. With semiconductor sales down, it is the computers and equipment sales that have now provided a small profit for the company.

National is described within the industry, perhaps unkindly, as a jelly-bean house because it has made its name cranking out high volumes of commodity parts at low prices. The company's expertise, and that of its president, is in manufacturing. National has been particularly successful in "second sourcing," devices designed by other semiconductor companies. Mr Sporck is quick to point out that 70 per cent of the company's products are of its own design, but nevertheless National is not generally recognised for its technology or its product innovation.

With prices under pressure from sagging demand and from harsh Japanese competition, National's strategy of "efficient manufacturing" is critical. The company is probably better placed than most to match Japanese price-cutting, and it has been known to lead some dramatic pricing trends itself.

The company's style is spartan. Not even Mr Sporck has a private office. Like all his employees, he sits in an open-plan area. He has a total disregard for "corporate image," in sharp contrast to many of his competitors.

Mr Sporck has hitherto ruled National with an iron fist, according to semi-conductor industry lore. Yet his colleagues nowadays describe him as mellow, honest and straightforward. Often called an autocrat, Mr Sporck claims that, on the contrary, he believes in heavy delegation of responsibility.

"I am a realist, I am very people-orientated but I am always aware that the company is here to make money." He says he is currently carrying out internal changes at National in order "to bring management into line with the size of the company."

Some of the changes have been forced upon Mr Sporck by the recent departures of several key managers. The most serious defection was that of the number two man at National, Mr Pierre Lamond. Although Mr Lamond says that his departure is "no reflection on National," and that he merely felt that "there were better opportunities elsewhere," people in the industry suggest that he may have become disenchanted with National's management structure.

National blames the ready availability of venture capital for most of its recent losses. "Our group managers are effectively running small businesses," explains Mr John Finch, the newly-appointed general manager of the semiconductor division. "That makes them very attractive candidates for starting new companies. I can hardly condemn someone for wanting to start their own company," says Mr Sporck. "I did it myself."

Mr Sporck is fiercely resistant to suggestions that the company's problems might make it a natural target for a takeover predator. National is now one of the only two independent U.S. semiconductor groups which could be considered possible takeover candidates—the other is Intel: all the rest are either fully or partially owned by conglomerates.

The bulk of National's equity—about 64 per cent—is held by major institutional investors, and the shares currently trading around $19 were as high as $51 in 1980.

However, Mr Sporck promises, "we would react with great animosity to a takeover bid. We would fight it and not cleanly."

Kaiser Aluminum profit hit

By Our Financial Staff

"UNREALISTICALLY LOW" prices for aluminium have cut harshly into profits of Kaiser Aluminum and Chemical, one of three major integrated producers in the U.S. Earnings have plunged by 75 per cent in the third quarter and the board expects an operating loss in the final quarter because of cost-price pressures.

Third quarter earnings have fallen from $48.9m to $12.3m, or 28 cents a share, and sales are also down at $794.3m against $848.1m.

After nine months, the Oakland-based company, which takes more than 80 per cent of its profit from aluminium, shows earnings 27 per cent off at $148.9m, or $3.36 a share on sales of $2.57bn compared with $2.72bn a year ago.

No estimate is made of the loss expected in the final quarter but yesterday's announcement effectively writes off predictions on Wall Street that Kaiser would hold this year's earnings to around $5 a share, compared with last year $5.91, or total net profits of $248m.

Kaiser said that demand for aluminium was down in the third quarter, with shipments 13 per cent off at 229,000 tons from 264,000 tons a year earlier.

Shipments for the first nine months were 9 per cent down at 730,000 tons, added the company.

RCA deep in red after large provisions

By Our New York Staff

RCA, THE U.S. communications conglomerate, incurred a $109.3m third-quarter loss as a result of lower operating earnings and the decision by the company's new management to restructure a number of operations and revalue some of its assets.

The moves led to after-tax charges on third-quarter earnings of $150m for losses the company estimates will be incurred in carrying out the restructuring and revaluation programmes.

These programmes follow an extensive review of the company's operations during the third quarter — RCA's first under the chairmanship of Mr Thornton Bradshaw.

The charges in the third quarter were partially offset by a net gain of $18m from the sale of a Manhattan building.

But even without the non-recurring items, earnings for the quarter were sharply down from $80.4m in 1980 to $22.6m.

Earnings before non-recurring items in the first nine months of the year were also down from $236.2m to $122.9m. Third quarter sales were flat at $1.99bn.

Because of the third quarter charges, RCA had a net loss of $9m in the nine months while sales were slightly down at $5.89bn.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday October 14.

Closing prices on October 8

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
CIBC 15¾ 86	75	95½	96	+0⅛	+1⅛	16.54
CIBC 16⅜ 91	100	97⅞	98⅜	−0⅜	+0⅜	17.15
CNA 15¼ 96	75	89⅜	89⅞	−0⅛	+1	17.18
CNE 12¾ 91	100	80⅞	81⅜	−0⅛	+1⅛	16.88
Citicorp Int. Fin. 15 86	150	95½	95⅝	−0⅛	+0⅝	16.41
Citicorp O/S 15⅞ 84	175	99¼	99¾	0	+0⅝	16.63
Cities Service 17 88	150	102½	103	−0½	+1⅞	16.29
Con. Illinois 14⅜ 84	100	95⅛	95⅝	0	+1	16.85
CPC Fin. 16⅜ 86	50	101⅛	101⅝	−0⅝	+0⅛	16.30
EEC 14¼ 93	65	89⅝	90⅛	−0⅛	+2	16.73
EIB 16½ 88	100	98	98½	−0⅜	+0⅞	16.93
Elec de France 13 88	125	85⅜	86⅛	−0⅛	+2⅛	16.72
Fed Bus. D. 15⅜ 84 (J)	40	98½	99	−0⅛	+0½	16.24
Finland Rep. of 9½ 86	100	77⅛	77⅞	−0⅛	+0⅜	17.02
Ford Cr. O/S Fin. 16 84	150	99	99½	−0⅛	+0⅞	16.26
Ford Cr. O/S Fin 16 85	150	97⅞	98⅜	+0⅛	+1⅛	16.62
GMAC O/S Fin. 12⅞ 88	100	84⅞	85⅛	0	+0⅛	16.82
GMAC O/E Fin 14⅜ 87	100	92⅝	93⅛	0	+1	16.71
Gulf States O/S 17½ 88	60	100	100½	+0⅛	+0⅛	17.43
Hiram Walker 16 86	50	97⅛	97⅝	−1½	−2	16.77
IBM Wld. Trade 14⅜ 84	100	100	100½	−0¼	+0⅛	14.53
IBM Wld. Trade 14¼ 85	60	99½	100	−0⅛	+1	14.78
Nat. Bk. Canada 15¼ 84	40	†98	98½	+0⅜	+2⅛	15.98
New Brunswick 17 88	60	100⅜	100⅞	−0⅛	+0⅛	16.83
Newfoundland 17¼ 89	60	102⅛	103⅛	0	+2	16.54
Nova Scotia 15 91	75	92⅛	92⅝	−0⅛	+2⅛	16.58
Pacific Gas Elec. 16 88	75	99⅞	100⅜	−0½	+0⅛	15.92
PSNH Int. Fin. 17 86	30	99½	100	0	+1⅛	17.03
Royal Bk. Canada 14 88	100	94½	95	−0⅛	+1⅛	15.62
SNCF 13 91	75	81⅜	82⅛	−0⅛	+1	16.91
Shell Canada 15⅜ 91	100	97½	98	+0⅛	+1⅞	16.21
Sth. California 14 87	50	92⅝	93⅛	−0⅜	+1	15.93
Sth. California 14⅜ 88	50	92½	93	−0⅛	+1⅞	16.56
Swed. Ex. Credit 13 86	75	87½	88	−0⅛	+1⅛	17.21
Swed Ex. Cred. 15⅝ 86	50	94⅝	95⅛	−0⅛	+0⅛	17.31
Tenneco Int. 17 89	100	100⅝	101⅛	−0⅛	0	16.76
Toronto-Dom Bk. 14 84	50	94½	95	−0⅛	+1	16.58
Transcanada 17⅜ 88	75	102⅛	102⅝	−0⅛	+1⅛	17.09
Tribune O/S Fin. 14 86	50	†90½	91	0	+1⅛	17.07
Walt Disney 15¼ 86	100	98	98½	+0⅛	+2⅛	16.26
Wells Fargo Int. 15½ 84	50	99⅜	99⅞	−0⅛	+1½	15.57
Winnipeg 17 86	50	100⅜	100⅞	0	−0⅛	16.80
World Bank 14⅛ 86	500	92⅝	93⅛	+0⅜	+2⅛	16.80
World Bank 16 86	210	98⅛	98⅝	0	+2½	16.40
World Bank 16 88	80	97⅛	97⅝	0	+2⅜	16.61

Average price changes... On day −0⅛ on week +⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	97⅛	97⅝	−0½	+1⅛	10.41
Austria Rep. of 8¾ 92	150	97⅛	97⅞	+0½	+1½	10.19
CECA 7⅞ 92	150	†85⅝	86⅛	−0⅛	+1	10.04
CECA 10 91	120	†100⅜	101½	0	+2⅜	9.79
Cll-Honeywell 8⅜ 9	125	†86½	87¼	+0⅛	+1⅞	10.74
Council of Europe 10 91	100	98⅞	99⅜	+0½	+1⅛	10.13
EIB 8½ 90	200	89	89½	+0⅜	+0⅞	10.39
EIB 10½ 91	200	†100⅜	101½	0	+1⅞	10.29
ESCOM 9¼ 87	100	91	91½	+0⅜	+1	11.31
Finland Rep. of 10 89	100	97½	98	+0⅛	+0⅛	10.42
Iberduero SA 9 90	100	†91	91⅛	+0½	+1⅛	10.54
Ind. Bk. Finland 8½ 90	50	†89⅜	90½	0	+1⅛	10.22
Int-Am Dv. Bk. 10 91	100	†99⅛	100	−0⅛	+1½	10.04
Japan Air Lines 8⅛ 87	100	92½	92⅝	+0⅜	+0⅜	9.84
Japan Dev Bk 7⅜ 87	100	89⅜	89⅞	−0⅛	+0⅛	10.03
Kobe, City of 8 90	100	89⅞	90⅛	+0⅛	+1⅛	9.74
Midland Int. Fin. 8½ 90	180	90⅜	90⅝	+0½	+1⅛	10.16
Nuclebras 9⅛ 88	100	†89⅛	90	+0⅛	+0⅞	12.03
OKB 8¼ 92	150	†87	87¾	+0⅛	+2⅛	10.23
Oslo, City of 8⅛ 90	80	91⅛	92	+0⅜	+0⅝	10.27
Renault Acc. 10⅜ 86	150	98½	99	+0⅜	+0⅛	11.07
Venezuela R. of 9½ 90	150	94	94½	+0⅞	+0½	10.77
World Bank 8 90	700	86⅝	87⅛	0	+0⅜	10.33

Average price changes... On day +0½ on week +1⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	60	†92	93	+0⅛	+1⅞	7.63
BFCE 6½ 91	100	89½	90	−0⅝	+0⅞	8.09
Bayer Int. Fin 5⅛ 92	100	88	88⅝	−2	+4⅛	6.89
Belgelectric Fin. 7⅜ 91	100	99⅜	99½	+0⅛	+1⅛	7.84
Bergen, City of 6¾ 91	40	95	95⅛	+0⅞	+0⅛	7.47
CECA 6¾ 91	80	†93	93½	+0⅛	+2	7.77
Denmark 5⅜ 90	80	84	84½	+0⅝	+1⅜	8.35
Dome Petroleum 5⅜ 91	100	88½	88⅝	+0⅜	+3⅛	7.54
Dome Petroleum 7⅛ 90	100	99⅛	99½	+0⅛	−0⅛	7.34
Elet. de France 5⅛ 90	100	83⅛	83½	−0⅛	+2½	7.91
Eurofima 5⅜ 92	80	†88½	89	0	+0⅝	7.27
Finland, Rep. of 5⅜ 90	80	86	86⅛	0	+1⅜	7.85
Franc. Petroles 6⅛ 91	80	†89	90	+0⅛	−0⅜	8.12
Genstar 7 91	100	99⅛	99½	+0⅛	+2⅛	7.08
Int Amer. Dv. Bk. 7 91	100	†93	93½	+0⅛	+1⅛	8.03
Japan Dev. Bank 5⅜ 90	100	91	91⅜	+0⅛	+0⅞	7.72
Mt. Blanc Tunnel 5½ 90	60	84	84½	+0⅝	+2⅞	8.04
Nowag 5⅜ 90	80	89	89⅝	+3	+4⅝	7.48
OKB 7 93	100	95⅜	95½	+0⅛	+0⅛	7.61
Oslo, City of 5⅞ 90	80	87⅛	87⅜	+0⅞	+0⅛	7.90
Philips Lamps 5¼ 92	100	86¼	86⅝	+1⅜	+2½	7.09
Swed. Ex. Credit 7⅛ 91	75	92½	92⅞	−1⅛	+0⅜	8.39
Trade Dev. Fin. 6½ 90	50	†86	86½	+0⅜	+1⅜	8.37
Voest-Alpine 5⅜ 90	80	84⅛	84½	+0⅛	+0⅛	8.29
World Bank 6 91	100	†86	86½	+0⅛	−0⅝	8.15
World Bank 7 90	100	†98	98½	+0⅛	−0⅛	7.60

Average price changes... On day +0⅜ on week +1⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk. 8⅛ 91	15	96½	97½	0	−0⅛	8.71
Australia 6⅜ 88	20	85⅛	86⅛	0	+0⅛	9.57
EIB 7⅛ 89	12	93⅜	94⅛	0	+0⅛	8.81
Finland 6 8 88	10	85⅛	86⅛	0	+0⅝	9.81
Finland, Rep. of 8⅜ 87	15	96	97	0	0	9.18
New Zealand 8⅛ 87	15	97⅛	98⅛	0	+0⅛	8.88

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
CIBC 13½ 85 C$	50	89⅜	90½	−0⅛	−0⅞	17.38
CIBC 11½ 85 C$	60	83⅜	84⅜	−0½	−0⅛	17.49
Federal Dev. 11½ 90 C$	60	†73	74	−1	−1	17.61
Federal Dev. 17¼ 86 C$	40	†98	99	+0⅜	+1⅛	18.20
Fst. Can. Inv. 10 84 C$	50	†82	83	−1	−1	18.03
GMAC (Can.) 18 87 C$	60	†100⅜	101½	−0⅛	+0⅛	17.71
Tordom Cpn. 13½ 85 C$	30	†91	92	−1	−0⅜	16.73
M. Bk. Dnmk. 9 91 EUA	25	80⅛	81⅛	+0⅛	+0⅛	12.41
SOFTE 8⅜ 89 EUA	40	74⅜	75	+0⅛	−2⅛	13.87
U. Bk. Nwy. 9½ 90 EUA	18	81⅛	83	+0⅛	−2⅜	13.05
Algemene Bk. 10⅛ 86 Fl	60	93⅛	94⅛	+0⅛	+1	12.08
Amro Bank 12 86 Fl	75	99⅝	100⅛	+0⅛	+1⅛	11.96
Heineken NV 10 87 Fl	100	91⅝	92⅝	+0⅛	+1⅛	12.01
Nat. Nedrlndn. 10 88 Fl	60	93⅜	94⅛	+0⅛	+1	11.39
Ned. Midd. Bk. 10 85 Fl	75	94⅛	95⅛	0	+1⅛	11.69
Pierson 10⅛ 86 Fl	50	93½	94	+0⅛	+1⅛	12.12
Rabobank 12 86 Fl	50	99⅝	100⅝	+0⅛	+1⅛	11.89
Air France 14½ 85 FFr	200	88⅞	90⅞	−0⅛	+1⅛	17.67
Bk. America 14½ 86 FFr	250	88⅞	90⅞	+0⅛	+1⅛	17.65
Charb'nages 13⅞ 85 FFr	400	88⅝	89⅝	+0⅛	+0⅛	17.70
EIB 14⅛ 88 FFr	300	85	86	+0⅛	+0⅞	16.13
La Redoute 14⅜ 85 FFr	125	86½	87½	−0⅛	−0⅛	[illegible]
OKB 14 86 FFr	400	88⅛	89⅛	+0⅛	+0⅛	17.79
Solvay et C. 14⅛ 86 FFr	200	89	90	0	−0⅛	18.28
Swed. E. Cr. 14⅝ 86 FFr	250	87⅛	88⅛	+0⅛	+0⅛	16.78
U. Mex. Sts. 14 85 FFr	150	89⅝	90½	−0⅛	+1⅛	18.02
Acona 14 86 £	20	89⅜	90⅛	0	+0⅛	17.54
Beneficial 14⅛ 90 £	20	90	90⅛	+0⅛	+0⅛	16.96
BNP 13½ 91 £	15	82⅞	83⅜	+0⅛	+0⅛	17.25
CECA 13½ 88 £	20	85	85⅛	+0⅛	+1⅛	17.23
Citicorp O/S 13½ 90 £	50	85⅛	86	+0⅛	+0⅛	16.78
Fin. Ex. Cred. 13⅛ 86 £	15	88⅜	89½	0	+0⅛	17.34
Gen. Elec. Co. 12⅛ 89 £	50	82⅝	83⅛	+0⅛	+0⅛	16.59
Hiram Walker 14⅛ 86 £	25	90⅝	91⅛	+0⅛	+0⅛	17.27
Privatbanken 14½ 88 £	12	88⅛	89⅛	+0⅛	+0⅛	17.48
J. Rothschild 14⅛ 90 £	12	88⅜	89	+0⅛	+0⅛	16.78
Royal Trustco 14 86 £	12	90⅜	91	+0⅛	+0⅛	17.11
Swed. Ex. Cr. 13⅜ 86 £	20	88⅞	88⅜	−0⅛	0	17.33
Akzo 9⅜ 87 LuxFr	500	84½	85⅞	−0⅛	−1⅛	12.87
Euratom 9⅛ 88 LuxFr	500	86½	87½	+0⅛	+0⅛	12.88
Eurofima 10½ 87 LuxFr	500	88⅛	89⅛	0	0	12.36
EIB 9⅛ 88 LuxFr	600	84½	85½	0	−0⅛	12.49
Volvo 9⅜ 87 LuxFr	500	83⅜	84⅜	−0½	−0⅛	13.89

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 90	0¼	99⅛	99⅜	16/12	16⅜	16.86
BBL Int. 5 86	0⅛	99⅝	100⅛	20/11	18.31	18.34
BNP 5½ 88	‡0⅛	99⅝	100⅛	29/10	16.81	16.84
Christiania Bk. 5½ 91	‡0⅛	98⅛	98⅝	5/11	19.19	19.38
Citicorp O/S Fin. 84	‡0	99⅞	100⅛	30/10	18.06	18.04
Co-operation Bk. 6 86	0⅛	99⅜	99⅞	15/11	19.96	19.64
Den Norske Credit 6 90	‡0⅛	99⅛	99⅝	5/11	19.19	19.31
Genfinance 5⅛ 87	0⅛	99⅝	100⅛	30/10	15.94	[illegible]
Genfinance 5⅛ 92	0⅛	99⅛	100⅛	30/12	16.31	16.34
Giro und Bank 5⅛ 91	‡0⅛	98⅞	99⅜	23/12	17½	17.66
GZB 5⅛ 92	‡0⅛	98⅞	99⅜	5/12	17⅜	17.60
Ind. Bank Japan 5⅛ 88	0⅛	99½	99⅞	9/10	16.44	16.50
Lloyds Eurofin 8 90 £	0⅛	96½	97½	6/1	13⅞	14.08
Lloyds Eurofin 5⅛ 92	0⅛	98⅞	99⅜	4/12	17.44	17.58
LTCB Japan 5⅛ 88	0⅛	99⅝	100⅛	13/12	17⅛	17.22
LTCB Japan 5½ 89	0⅛	99½	100	16/1	18.32	18.38
Man. Hanov. O/S 5⅛ 94	‡0⅛	99⅝	100⅛	30/11	19⅛	19.38
Merrill Lynch O/S 87	‡0⅛	†99⅝	100⅛	9/11	19.06	19.07
Midland Int. Fin. 5⅛ 92	0⅛	99⅛	99⅝	5/12	17⅜	17.48
Midland Int. Fin. 9 91	0⅛	99	99½	30/10	15.81	15.94
Nacional Fin. 5½ 88	0⅛	97½	97⅞	25/3	17.31	17.74
Nat. Bk. Canada 5⅛ 88	0⅛	98⅝	99⅛	24/3	17.31	17.52
Nat. West. 5⅛ 94	§0⅛	99⅞	99⅜	14/10	16.19	[illegible]
Nat. West. Fin. 5⅛ 91	§0⅛	99⅛	99⅝	15/1	18⅛	18.29
Nat. West. Fin. 5⅛ 92	§0⅛	98⅞	99⅜	23/10	16.81	16.96
Pemex 6 91	0⅛	97⅜	98⅛	8/10	15.31	15.54
Pemex 5⅛ 88	0⅛	97½	98	14/2	18.81	18.95
Sanwa Int. Fin. 5⅛ 88	0⅛	98⅝	99⅛	24/3	17⅜	17.42
Societe Generale 5⅛ 91	0⅛	98⅝	99⅛	22/1	18⅝	18.81
Sparebanken 6 87	0⅛	98⅞	99⅜	19/12	16.91	16.99
Svenska Hndlsbk. 5 87	0⅛	99⅝	100⅛	15/1	18⅛	18.20

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	939	83⅜	85⅛	−0⅛	[illegible]
Bow Valley Inv. 8 95	4/81	23.12	92	93⅛	+0⅛	[illegible]
Canon 6⅛ 95	1/81	629	127⅞	129⅛	−1⅛	[illegible]
Daiwa Secs. 5½ 96	12/81	539	79	81	0	[illegible]
Fujitsu 4½ 96	10/81	670	95	96⅛	+1⅞	[illegible]
Furukawa Elec. 5⅜ 96	7/81	300	102⅛	103⅛	+1⅛	[illegible]
Hanson O/S Fin. 9⅛ 96	8/81	2.74	†82	83	0	[illegible]
Hitachi Cred. Cpn. 5 96	7/81	1066	82⅛	83⅛	+1½	[illegible]
Inchcape 8 95	2/81	4.55	†80⅛	82	+0⅛	[illegible]
Kawasaki 5⅛ 96	9/81	229	89⅝	91⅛	+1⅛	[illegible]
Marui 6 96	7/81	931	86⅛	88⅝	+1⅛	[illegible]
Matsushita El. 7½ 95	11/80	590	79½	81	+1	[illegible]
Minolta Camera 6 96	10/81	909	79½	81	−0⅛	[illegible]
Murata 5½ 96	7/81	2190	84⅛	85⅛	+2⅛	[illegible]
NKK 6½ 95	7/81	195	98	99⅛	0	[illegible]
Nippon Chemi-C. 5 91	10/81	919	74	78	0	−2.01
Ricoh 6⅛ 95	8/80	604	120⅞	122⅛	−3	[illegible]
Sanyo Electric 5 96	10/81	652	87½	88⅝	+0⅛	[illegible]
Sumitomo Metal 5⅛ 96	10/81	305	86	87⅛	+3	[illegible]
Swiss Bk. Cpn. 6⅛ 90	9/80	200	†87	87⅛	0	[illegible]
Taylor Woodrow 8⅛ 90	1/81	4.94	75	76	0	[illegible]
Transcp Int. 8⅛ 95	2/81	68	†74⅛	76	+1	[illegible]
Tricorp 8½ 95	12/80	31.25	†69⅛	71	+3⅛	21.12
Union Bk. Switz. 5 88	2/80	70.79	†70⅛	71	−0⅛	1.41
Sharp Cpn. 6½ 86 DM	9/80	581.8	†95⅛	96⅛	0	[illegible]
Uny Co. 6⅛ 85 DM	11/79	579.3	101	102	0	1.01

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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هكذا من الأصل

Peter Montagnon reports on Austria's $300m Eurocredit

Fine terms for a rare borrower

IT MUST be something of a disappointment to Dr Hannes Androsch, president of Creditanstalt-Bankverein, that his bank has not received the mandate for Austria's forthcoming $300m Eurocredit.

Dr Androsch, a former Austrian Finance Minister, is understood to have lobbied hard for the mandate but was overridden by the determination of his successor, Herr Herbert Salcher, to stick to the traditional system for Austrian mandates by which the country's four leading banks rotate to take the top position. Had he succeeded, he would have pulled off a remarkable coup, for this is Austria's first openly syndicated Eurocredit since 1978.

It marks a distinct departure from Austria's previous borrowing policy. Apart from the occasional direct bank credit, this has consisted basically of fixed rate operations in the international bond markets.

The decision to go to the Eurocredit market at this stage underlines that Austria's need for funds this year is so large that it cannot adequately meet the demand with bond issues alone.

The borrowing requirement does not come from the need to finance the country's balance of payments deficit, which looks like ending up well below the original expectations of about Sch 20bn ($1.3bn). Rather it comes from the growing gap in the Government's budget deficit which Dr Salcher put at around Sch 29bn earlier this year compared with an original target of Sch 25bn.

It has proved difficult for the Governments to fund this deficit on the domestic market. High interest rates in West Germany forced yields up on the domestic capital market, which was effectively closed to all borrowers until last month when the Government returned with an 11 per cent Sch 1.5bn bond issue.

Meanwhile it has already been forced to finance itself domestically with credits raised from the banking system. As these have become more difficult to obtain, the Government found itself faced with little choice but to return to the Eurocredit market.

In some ways this is not a great loss of face. The terms expected to be set on the eight-year credit, which are currently being discussed within the syndicate led by Genossenschaftliche Zentralbank, are likely to be among the finest on the Euromarket.

Final conditions will not be set before next week, but bankers in Vienna indicated yesterday that the loan may begin with a margin of only ¼ per cent for the first three years, rising to ⅜ per cent for the next three and then to ½ per cent for the remaining two. Repayments would begin after an unusually long six-year grace period.

Herr Herbert Salcher

These terms are so fine that the credit might meet some resistance from banks which are worried about profitability. Indeed, the lead managers are thought to have held out against the inclusion of a ⅛ per cent element in the margins.

On the other hand, Austria is not a common name in the Eurocredit market and its rarity value is enhanced by the country's reputation for economic and political stability.

These advantages could, of course, be lost if the Austrian Government deficit remained so high that it could not be financed in the same proportions as before on the domestic market.

For the time being, however, borrowing abroad is very easy for Austria. Indeed, its capital imports have this year exceeded the current account balance of payments by a significant amount. The Government alone had imported about Sch 10bn worth of foreign capital in the first six months of the year.

This has made it more difficult for the Austrian national bank to pursue a coherent monetary policy and it is understood that some restraint is now being applied to borrowing plans by provinces and utilities, which traditionally are heavy borrowers abroad, particularly on the Swiss bond market.

Austria's foreign borrowing has always been orientated towards the hard currency bond markets, both because interest rates tend to be lower there and because of the country's "hard schilling" policy, which seeks to keep the value of the schilling closely aligned with the exchange rate of the D-mark.

In the case of the Eurocredit it is understood that the funds raised will be swapped into D-marks and Swiss francs to reduce the exchange rate risk for the Government.

CFR blames state for loss

BY TERRY DODSWORTH IN PARIS

COMPAGNIE Française de Raffinage (CFR), the refinery division of the state-controlled Total oil group, yesterday blamed government-imposed price controls for losses of FFr 31.7m ($5.7m) suffered in the first half of this year.

The company's results provide further evidence of the crisis now facing the French refinery industry as a whole. They follow announcements by both SFBP, BP's subsidiary in France, and Esso SAF, Exxon's French subsidiary, that they only managed to break even during the six-month period.

CFR's loss, which compares with a net profit of FFr 31.5m in the same period of 1980, was made on a turnover sharply up, from FFr 17.4bn to FFr 22.2bn. The increase was said to be entirely because of price rises, as volume sales dropped slightly from 14.8m tonnes to 14.6m.

These price increases, however, were not sufficient to recoup the extra costs caused by the rise of the dollar against the franc and the increase in crude oil prices. CFP says it was hit particularly hard by the dollar's rise.

The company added that only a "realistic" pricing policy for oil industry products would put an end to the losses which it is currently incurring. It warned that its first-half deficit had already led to a "massive" increase in its debt and its financing costs, and said that over the longer term the company's ability to invest and to adapt its refineries was being compromised.

Dutch group plans French fertiliser plant

By Charles Batchelor in Amsterdam

THE DUTCH fertiliser group, Unie van Kunstmestfabrieken, plans to build a FFr 400m ($73m) nitric acid and ammonium nitrate plant in France with an annual capacity of 300,000 tonnes.

The factory, at Gouaix, south-east of Paris, where UKF's French subsidiary, Christiaen Lecoester, has its production facilities, will come on stream in 1984.

UKF, the fertiliser division of DSM, the state-owned chemicals group, has one other ammonium nitrate plant in Europe, with a 570,000 tonne capacity, at Ince on Merseyside. The new factory will serve the French market only.

UKF plans to finance the project with loan capital raised in France. The French authorities have still to approve the investment and a decision is expected this month.

An earlier attempt by UKF to penetrate the French fertiliser market failed when it was refused approval for the purchase of a majority stake in Societe des Participations Gardinier, a family-owned concern, in 1977.

UKF is one of the world's largest producers of chemical fertilisers, with annual output of more than 4m tonnes, turnover of Fl 2.5bn ($1bn) and a workforce of 6,000.

Mobag hinders Motor-Columbus

BY JOHN WICKS IN ZURICH

UNTIL THE Swiss construction company, Mobag, has solved its problems in Iran, its parent company, Motor-Columbus, "will be running with a flat tyre," according to Herr Michael Kohn, chairman of Motor-Columbus.

The energy and consulting engineering divisions of Motor-Columbus did well under difficult conditions in fiscal 1980-81, but the group was handicapped by its building and property operations.

The group, in which Union Bank of Switzerland has a 33.4 per cent stake, has already announced plans to pass its dividend for the third successive year. Although gross earnings rose from SwFr 19m to SwFr 15.6m in the year ended June 30, net profits amounted to only SwFr 48,076 after a large write-off for the Mobag holding and an increase in special risks provisions.

Motor-Columbus assumed liabilities totalling SwFr 127.2m ($67.5m) in 1979 after cancellation of a contract with Iran under which Mobag was to build around 6,000 houses. Mobag now expects losses in connection with the building of the Ramses Hilton in Egypt and possibly also from its Nigerian and Saudi Arabian cotracts.

While negotiations continue with Iran, Herr Kohn said that the company's position improved during the past business yer by the "successful institution of seizure proceedings." These concern Iranian assets in an unnamed European country.

In the annual report of Motor-Columbus, the auditors state: "It is at present still impossible for an objective and final assessment of risks in connection with the Mobag subsidiary."

Herr Kohn said that if this assessment took too long, measures would have to be taken to prevent "the daily ups and downs of Mobag business from having a further direct influence on Motor-Columbus." He did not explain what these measures might be.

Strong gain by Swedish building group

By Westerley Christner in Stockholm

EUROC, the Swedish building materials and industrial group which is expanding in the U.S. market, made a pre-tax profit of SKr 105m ($23.3m) in the first eight months of the year, a gain of SKr 31m on the same period in 1980 and matching last year's total earnings before taxes.

Group sales advanced to SKr 2.5bn from SKr 2.3bn. In the 1980 year they totalled SKr 3.65bn.

No specific forecast for this year was included in the interim report released yesterday, although management says that they are sticking to the March forecast for "some improvement in earnings" through continued structural and cost rationalisation.

The sharp interim earnings improvement came from group manufacturing operations including the Dynapac division. During the period Dynapac became Euroc's largest subsidiary in terms of sales volume, surpassing Cementa.

The Cementa factory at Slite, on the Baltic island of Gotland, started up during the eight months, creating the opportunity for further exports, the company says.

Higher operating income at two Norwegian banks

BY FAY GJESTER IN OSLO

DEN NORSKE CREDITBANK (DnC) and Christiania Bank og Kreditkasse, Norway's two largest commercial banks, have reported higher operating profits for the first eight months of 1981 compared with the same period last year.

Most of the improvement came in the second half of the period, reflecting an increase in interest rates on short-term loans which took effect from May 15. Because both banks steeply increased their assets, however, the average return on assets was lower this year.

DnC expects a satisfactory result for the whole of 1981, "provided there are no significant changes in the banks' working conditions." Christiania's board says, however, that the present tight credit market—a result of Government policies—will continue to depress profits.

DnC achieved an operating profit of NKr 239.8m ($41.34m) in the eight months, 25 per cent up on a year earlier. By the end of August, its total assets had reached NKr 25.9b—19 per cent higher—and the eight month operating profit was equivalent to 1.41 per cent of average total assets, compared with an average return of 1.43 per cent in the January-August period last year.

Christiania reported an operating profit of NKr 157m, corresponding to 1.02 per cent of average total assets, against NKr 151m, and 1.26 per cent, in the January-August period last year. By the end of August, total assets stood at NKr 22.9bn—up 25.9 per cent from a year earlier. The comparison takes account of Christiania's merger, in March this year, with a regional bank, Vestfoldbanken.

This week, DnC's representative council approved plans to increase the bank's subordinated loan capital by borrowing $45m in the autumn and to increase share capital by NKr 112m early next year through a one-for-five rights issue at par. Both moves will require official approval.

● Borregaard, Norway's diversified industrial group, will this month seek shareholders' approval for an increase in share capital of NKr 66.75m to NKr 333.75m through a one-for-four rights issue at 80 per cent of par.

The remaining 20 per cent will be transferred from reserves.

The company said yesterday it was calling an extraordinary general meeting of shareholders on October 26 to consider the proposal and that the rights issue would apply to shares held as of that date.

Westland Utrecht chief to leave

By Our Amsterdam Correspondent

MR ANTON VERHEY, chairman of the troubled Dutch mortgage bank, Westland-Utrecht, is to resign from the bank for health reasons. Mr Frits Visser, previously his deputy, is to succeed him.

No decisions has yet been taken on whether the managing board, which has now been reduced to two members, will be strengthened in the short term.

WU's results have come under strong pressure because of a sharp fall in demand for mortgages. Last month it revealed that first half net profit had fallen to Fl 4.2m ($1.7m), only a quarter of the level achieved in the first 1980 half.

● Rolinco, the Dutch share investment fund which is part of the Robeco group, proposes raising its 1980-81 dividend to Fl 7.20 in cash per share from Fl 5 the year before. Net assets rose 25 per cent to Fl 3.12bn ($1.27bn) in the year

Zanussi faces lay-offs in TV sector

BY OUR FINANCIAL STAFF

ZANUSSI, THE leader in the troubled Italian television and consumer electronics sector, is negotiating lay-offs of between 10 per cent and 30 per cent of its workforce for 25 to 35 days because of an "unexpected" drop in demand.

Zanussi's capacity utilisation rate is at present reported to be little more than 50 per cent in its consumer electronics sector. Its recent restructuring and shift into higher valued-added products has helped it to weather slumping sales in the European TV and electronics sectors caused by the recession.

In the last 18 months, foreign producers are said to have tightened their grip on the L1.5 trillion (million million) ($1.27bn) Italian television market, increasing their market share to nearly 85 per cent

Yesterday, Voxon, the ailing manufacturer in this sector, was officially entered into bankruptcy. Last year Voxon planned to set up a joint holding company with two other Italian companies, Indesit and Emerson, to consolidate debt and help to boost productivity. The venture was to have obtained financial guarantees from the state, but so far little progress has been made on the project.

The Government has been discussing plans to step up the long-promised reorganisation of the consumer electronics sector through mergers and state-backed loans. Last year it tried to block "re-exports" of Japanese TV sets from Britain, and is now considering stricter controls on non-EEC imports.

Brasilvest S.A.

Net asset value as of 30th September, 1981

per Cr$ Share: 85,753

per Depositary Share: U.S.$7,284.69

per Depositary Share: (Second Series) U.S.$6,840.77

per Depositary Share: (Third Series) U.S.$5,821.58

per Depositary Share: (Fourth Series) U.S.$5,438.59

ENERGY RESOURCES & SERVICES INCORPORATED

Net Asset Value 30th September 1981

$8.58

per share

September 29, 1981

Canada Development Corporation

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Société Nationale Elf Aquitaine

a majority of the shares of

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All of these securities have been sold. This announcement appears as a matter of record only.

September, 1981

3,000,000 Shares

Seagate Technology

Common Stock

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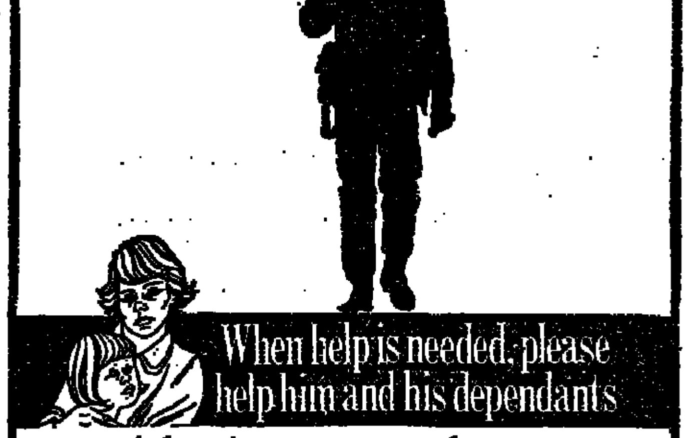

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Floating Rate Capital Notes Due 1986

In accordance with the provisions of the Notes, notice is hereby given that Notes in the aggregate principal amount of U.S. $4,000,000 have been applied to the Purchase Fund during the period beginning on the Issue Date of the Notes and ending on the Interest Payment Date falling on 5th October, 1981, thereby reducing the aggregate principal amount of the Notes to U.S. $21,000,000.

Credit Suisse First Boston Limited

Purchase Agent

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Arab Bank for Investment and Foreign Trade, Abu Dhabi — Banca Catalana, S.A. — Banco Simeon, S.A.
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Agent Bank

Manufacturers Hanover Limited

August, 1981

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Floating Rate Notes 1991

For the six months from 8th October, 1981, to 8th April, 1982, the Notes will carry an interest rate of 17% per annum. The interest payable on the relevant interest payment date 8th April, 1982, against Coupon No. 2 will be US$429.73 per US$5,000 Note.

Agent Bank:
Chemical Bank, London

Currency translations hit Canon earnings

By Yoko Shibata in Tokyo

CANON, the manufacturer of cameras and integrated business machines, suffered a fall of 64 per cent in consolidated net profits for the first half, to Y4.79bn ($20.6m), from Y13.46bn in the same period the previous year. The decline came despite a rise of 8.4 per cent in sales for the six months to June 30, to Y221.73bn ($970m) from Y204.63bn.

Camera sales gained by 12.8 per cent to account for 45 per cent of total turnover, thanks to the newly-introduced AE1-programme and medium priced auto-focus cameras.

Sales of business machines, the major product line for the company—representing 47 per cent of total turnover, gained only 2.9 per cent from the previous year.

Marked growth was shown in sales of optical products with an increase of 19.4 per cent, but calculator sales fell by 10.4 per cent.

The earnings collapse was blamed by the directors on a poor performance inactive business achievements by European subsidiaries, which were affected by economic recession. The group was also particularly hard hit by foreign exchange fluctuations, especially in European currencies. Foreign exchange losses were put at Y5.7bn.

During the half year, the yen exchange rate against the U.S. dollar appreciated by Y24 over the same period in the previous year which caused a considerable translation loss on uncovered parts of convertible bonds issued overseas.

A sharp increase in the start-up costs of new copiers and cameras also squeezed earnings.

In the current half year, the company's earning performance is expected to recuperate with full contribution from products introduced in the first six months.

This is expected to offset negative factors such as a high depreciation burden and the markdown of selling prices following the current depreciation of the year.

ALUMINIUM STOCKS BUILD UP

Nippon Light Metal cuts capacity

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S largest aluminium smelter, Nippon Light Metal Company, is proposing to freeze an additional 30,000 tons of capacity, on an annual basis, at Tomakomai plant in Hokkaido.

The freeze will mean that production capacity in use by the company will be reduced to 124,000 tons, at two plants, compared with the normal full operating capacity of just over 300,000 tons.

Like Japan's five other aluminium smelters, Nippon Light Metal is a victim of high domestic power costs and cheap imports. Japan's aluminium smelting industry depends on oil-fuel power stations for 76 per cent of the electric power used in the industry, whereas in the U.S. the ratio of oil-fuel generating facilities is 5 per cent.

Cheap imports of American aluminium ingots, priced at nearly Y140,000 ($614) per ton below the domestic industry's selling prices, have forced the Japanese smelters to cut production sharply.

Nippon Light Metal suspended operations in December last year at its Niigata smelting plant, shifting the 1,000 workers at the plant to subsidiaries. In January, it closed down an initial 30,000 tons of capacity at the Tomakomai plant. The second Tomakomai freeze, which is to be discussed over the next few weeks with the company union, will displace another 230 workers. The company hopes to find work for all of them elsewhere, but many may have to be shifted from Hokkaido to the main Japanese island of Honshu.

Nippon Light Metal says it is holding unsold stocks of 67,000 tons of aluminium and that such stocks are accumulating at the rate of 3,000 tons per month. It hopes to carry through its second-stage freezing operation at Tomakomai by mid-November.

Japan's six aluminium smelters have accumulated losses of Y30bn ($130m), but are expected to lose another Y60bn during the current fiscal year ending next March. Losses of this order would mean that by the end of the fiscal year the industry would have lost more than the amount of its capital.

Kawasaki Steel lifts forecast

BY OUR FINANCIAL STAFF

KAWASAKI STEEL CORPORATION, one of Japan's top five steelmakers, expects its profits before tax and special items for the first half of the year to March to record a fall of 33 per cent to some Y34bn ($150m), from the Y50.76bn of the same period in 1980-81.

This, however, shows an improvement on the earlier announced goal of Y29bn. Sales for the period are expected to show a rise of 3.4 per cent to around Y632.5bn ($2.8bn), from Y611.92bn, and also to represent a gain on the earlier target of Y600bn.

Sales overseas of the relatively highly profitable seamless steel pipes lie behind the improved earnings forecast, the company says.

Production capacity for seamless steel pipes is to be increased to 69,000 tonnes a month by April, from 42,000 tonnes, followed by a further rise to 87,000 tonnes at an unspecified date. First-half crude steel production would be virtually unchanged from the year earlier level at 5.25m tonnes, it is said.

Kawasaki plans to increase its capital outlay in the 1982 business year, starting April, to about Y147bn, from Y113bn this year.

For the whole 1981 business year, the company estimates that its profit after tax and special items will be about Y71.3bn, or 22.4 per cent less than the Y91.7bn last year, on sales of Y1,280bn, or 6.7 per cent more than 1979-80's Y1,200bn.

Japanese diversifying fund sources

TOKYO — Large Japanese enterprises are diversifying their fund raising sources, reducing dependence on domestic banks and increasing foreign fund intake, according to the Bank of Japan.

In its monthly report the bank said many enterprises were increasing investment in money markets where interest rates are determined by market forces, such as yen certificates of deposit and the Gen-saki market, a relatively free bond market on a repurchase basis.

Borrowings by large companies from banks fell to 65 per cent of their total fund requirements in 1980, from an average 85 per cent in the 1965-75 period, the report said.

The share of foreign fund raisings in large companies' borrowings rose to 25 per cent last year, the report said, compared with an average of only 3 per cent in 1965 to 1975.

About 21 per cent of fund requirements in 1980 was covered by impact loans, foreign currency loans raised in Japan, a 2 per cent rise from the average in the 1965-75 period, and funds raised through bond issues abroad accounted for 4 per cent compared with 1 per cent between 1965 and 1975.

The trend to use more foreign funds is expected to grow in coming years, although the pace will be affected by overseas interest rates and domestic fund availability, the bank said.

The report says that given the markets' success in absorbing liquidity and containing inflation, it will be necessary for for the central bank to pay more attention to the markets in carrying out monetary policy.

In addition to quantitative controls on commercial bank lendings, it will be important to control investment activities of enterprises, which direct surplus funds to money markets and curtail inflow into inventories.

Reflecting Japan's slower economic expansion since the early 1970s, enterprises began to invest more surplus funds in money markets than in increasing inventory and capital spending.

High interest rates in 1979 and 1980 due to tight money policies then attracted surplus funds to yen certificates of deposit (CDs) and the bond market, especially the Gen-saki market.

According to the report, about one-half of Japanese companies' surplus funds were invested in CDs and the bond market in 1980, whereas more than 90 per cent of such liquidity was kept in cash or bank savings in the 1965-75 period.

Reuter

Myer Emporium shows growth

BY GRAEME JOHNSON IN SYDNEY

MYER EMPORIUM capped a healthy round of profits reported by Australian retailers, by lifting earnings 13 per cent in the year to July 31 from A$33.76m to A$38.16m (US$ 44m).

The directors are proposing to make a one-for-five scrip issue. Asian interests have built up a small but strategic stake in Myer and the scrip issue follows earlier moves by the company of an asset revaluation and convertible note issue, thought by observers to be possible defensive measures in the event of a take-over bid.

Myer has declared a final dividend of 6 cents a share, which lifts the annual payout from 10.5 cents to 11.5 cents a share.

Myer had its best sales record in seven years, lifting overall turnover 13.7 per cent from A$1.27bn to A$1.44bn. But sales growth did not match that of the leading retailer, G. J. Coles, which jumped 21.67 per cent to A$3.24bn in the year to July.

Myer's chain of target discount stores contributed strongly to its sales growth. Despite intense competition, Target supermarkets lifted sales 17.6 per cent, while those of Myer department stores rose 12 per cent.

The past year has been one of rapid expansion for the Myer group and the year's results included seven months of trading by clothing retailer Country Road and one month of trading by the liquor group San Remo and fast-food outlet Red Rooster.

While Myer will reap the benefits of its diversification into specialised retail outlets in coming years, profit in the past year was deflated by an interest bill up from A$10.77m to A$23.17m.

Capital spending, including acquisitions, rose sharply from A$56m to A$131m which was responsible for the increased debt on borrowing.

But the interest bill is not likely to spiral further as group properties with a value of A$120m were available for sale and leaseback during the 1981-1982 year and the proceeds would largely offset borrowing costs.

The decision to sell and lease back a proportion of Myer properties was announced when Myer lifted its asset value by A$189m to A$541m in late July.

Fletcher Challenge moves ahead

BY OUR FINANCIAL STAFF

FLETCHER CHALLENGE, the New Zealand forestry, paper, industrial agricultural and finance concern, has announced earnings for a period to June 30 equating to NZ$80.7m (US$67m) for a period of 12 months, compared with NZ$57.1m for 1980.

The results now announced cover the six months for Challenge Corporation, and the nine months for Fletcher Holdings and for Tasman Pulp and Paper up to December 31 last year, and six months for the merged group of Fletcher Challenge up to June 30.

The forest industries sector had an improved year, while farming had been generally satisfactory, the company said, with record volume and earnings being achieved by the stock and station subsidiary.

Construction volume had increased threefold mainly from acquisition of Australian and Papua New Guinea operators. Earnings were low but reorganisation had taken place which would improve long-term performance.

The manufacturing and merchandising sector achieved earnings gains, despite a low level of construction activity. The results from steel, wire, building materials merchandising, and concrete products are said to have been much ahead of the previous year's.

A final ordinary dividend of 16 per cent, has been declared, making the effective 1981 annual rate 30 per cent.

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U.S.$25,000,000 9 per cent. Guaranteed Bonds 1988
(the "Bonds")

Notice is hereby given to holders of the Bonds that U.S.$2,500,000 nominal amount of Bonds purchased in the market will be applied at par in satisfaction of the annual redemption instalment for the year to 1st November, 1981.

Following such application the nominal amount of Bonds outstanding will be U.S.$17,500,000.

Principal Paying Agent: J. Henry Schroder Wagg & Co. Limited
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9th October, 1981

ADVERTISEMENT

JAPAN-EC SYMPOSIUM

Japan-EC Economic Relations and the World Economy

Date: November 5, 6, 1981
Venue: Hotel New Otani, Tokyo
Admission: Free

Message from Minister Tanaka and Viscount Davignon

"In recent years economic relations between Japan and the European Community have become of increasing importance. Besides developments in bilateral trade, there has been a growth in technological exchanges and investment projects.

It is essential therefore that mutual understanding should be deepened if we are to find solutions to existing differences, and indeed to further diversify economic relations between Japan and Europe.

For this reason the Japanese Government (the Ministry of International Trade and Industry) and the Commission of the European Communities are organising a Symposium entitled 'Japan-European Community Economic Relations and the World Economy,' at which leading political, economic and industrial figures will discuss the issues involved.

We believe that this Symposium will provoke meaningful and lively debates and we hope that you will wish to take the opportunity of attending this significant event."

Minister Tanaka — Viscount Davignon

Sponsored by:
The Japanese Government—Ministry of International Trade and Industry
The Commission of the European Communities
The Japan-EC Symposium Committee

With the Co-operation of:
The Nihon Keizai Shimbun
The Financial Times

Chaired by:
Mr. Shohei Kurihara, Vice-Minister, MITI
Sir Roy Denman, Director-General of External Affairs for EC

(1) "ECONOMIC DEVELOPMENT IN JAPAN AND IN THE EUROPEAN COMMUNITY AND PERSPECTIVES FOR JAPAN-EC RELATIONS"
Mr. R. Tanaka, Minister, MITI
Viscount Davignon, Vice-President of the EC Commission

(2) "PARLIAMENT AND PUBLIC IN JAPAN-EC RELATIONS"
Mr. T. Kuranari, Chairman of Japanese-EC Parliamentary League
Sir F. Warner, Chairman of EC-Japanese Parliamentary League

(3) "INDUSTRIAL CO-OPERATION"
Mr. A. Morita, Chairman of SONY CO.
Mr. J. P. Bouyssonnie, Chairman of THOMSON-CSF

(4) "MANAGEMENT STYLES AND LABOUR-MANAGEMENT RELATIONS IN JAPAN AND THE EC"
Mr. T. Ishihara, President of NISSAN MOTOR CO.
Mr. K. H. Briam, Arbeitsdirektor of VOLKSWAGEN

(5) "WAYS TO MANAGE THE INTERNATIONAL ECONOMIES"
Mr T. Kohoto, Director General of Economic Planning Agency
Dr. G. Carli, President of UNICE

(6) "ECONOMIC DEVELOPMENT AND CHANGES IN SOCIAL ATTITUDES IN JAPAN AND THE EC"
Mr. G. Moriya, Advisor for MITSUBISHI HEAVY INDUSTRIES
Speaker to be announced

PANEL DISCUSSION

Chaired by:
Mr. N. Amaya, Advisor to the MITI
Mr. E. Wellenstein, Counsellor to EC Commission

Discussed by:
Mr. T. Matsuo, Chairman of MARUBENI CO.
Mr. Y. Takeyama, Managing Director/Editorial of NIHON KEIZAI SHIMBUN
Sir J. Ridsdale, Chairman of BRITISH-JAPANESE PARLIAMENTARY LEAGUE
Mr. P. Fabra, Economic Editor of LE MONDE

Please write for further details to: Simon Timmis, Japan-EC Symposium, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

Name ....

Organisation ....

Address ....

....

Nature of business ....

September 29, 1981

Société Nationale Elf Aquitaine

has acquired through a tender offer a majority of the shares of

Texasgulf Inc.

The undersigned acted as dealer managers of the tender offer.

Salomon Brothers Inc. — Lazard Frères & Co.

FOREIGN ACQUISITIONS IN THE U.S.

Tilling is still exploring

THOMAS TILLING, a British conglomerate with interests from oil rig equipment to publishing, deserves rather a special place in the long list of European companies who have been scrambling to invest in the U.S.

In 1976 Tilling had almost no U.S. or overseas interests. Four years later it had notched up U.S. sales of $1bn after a hectic period of acquisitions all across the continent. And it is still buying. "Our target is that 35-40 per cent of group sales and profits should come from the U.S.," says Sir Patrick Meaney, managing director. Total sales last year were $4.05bn and the U.S. contributed 29 per cent of the company's total profits of £98.7m before tax and interest charges. This year 40 per cent of the £31.7m half-year profits came from the U.S.

Tilling is unusual among foreign investors because it has concentrated exclusively on small and medium-size companies, so that it has now invested close to $500m on more than 100 operational locations in the U.S. The latest acquisition this year in August was the £11.3m purchase of the Facile Division, based in Paterson, New Jersey, of Sun Chemical Corporation. "It's an eminently reasonable strategy, but the question now is whether they've bitten off too much at once," says Mr Tim Brown, an analyst with Phillips and Drew, London brokers.

The original Thomas Tilling built up a successful Victorian transportation company which, at his death, owned some 25,000 horses. The company was still in this business in 1948 when the British Labour Government acquired its transport operation.

Since then, using the government compensation as its seed capital, Tilling has mushroomed into a large holding company whose Mayfair headquarters oversees some 46,000 employees grouped into 22 major operating companies. "We were a conglomerate before anyone ever thought of the word," says Sir Patrick.

In the late 1960s, worried by the long-term deterioration of the British economy, Tilling began to consider overseas expansion. From the start the U.S. was the favourite because of its enormous size and its inherent political stability. But, says Mr Francis Black, the finance director, it wasn't until after the 1974 oil crisis that the climate looked right. "It was only then that small and medium-size U.S. companies began to worry about their debt and about how to finance expansion. Then prices began to fall."

In June 1976, Sir Patrick and Black set out on a three week tour of the U.S. Convinced that there were a lot of fish anxious to be hooked, they established a small office in New York with Mr Colin Draper as its head. "Colin put out the word that we were interested and had more than 3,000 approaches from all sorts of people," recalls Sir Patrick. "There was one lady merger broker who would send three separate letters in one envelope about three separate possibilities."

Since then Tilling has spent $350m building up a portfolio of companies. About $180m has been spent on building up the companies. The jewel in its U.S. crown is undoubtedly its oil and gas interests — in particular two Houston-based companies, NWS Supply Group and Ramteck Industries, which manufacture and distribute specialised oil field equipment. Nearly half of its U.S. pre-tax profits came from these two

"When we first thought about these two groups most forecasters were suggesting that U.S. exploration might be played out. But we believed to the contrary," say Sir Patrick.

However, just as in Britain Tilling has spread its net wide choosing sectors in which it is already involved in the UK. It now has U.S. subsidiaries in pollution control, medical equipment, electrical equipment, distribution, agricultural equipment, insulation and building and construction. More "add on" acquisitions in related fields are planned in the next two years.

Sir Patrick Meaney

Mr Draper and a small team carefully assessed each prospective acquisition paying particular attention to management quality. Once bought, Tilling's philosophy is to leave units to get on with their own business providing of course that they get the right results and have cash and trading plus approval further up the management line. "It's an umbrella policy where each autonomous unit is running itself," says Mr Angus Phaure, an analyst with London brokers Fielding, Newsom-Smith. And in Britain where there is a sophisticated financial control system, it has worked well although this year profits are likely to be down because of the UK recession.

In the third of our occasional series on foreign corporate investment in the U.S., David Bell examines the strategy of a UK conglomerate which last year notched up U.S. sales of $1bn in activities which range from oil rig equipment to publishing

The test now facing Tilling is whether its unusual management philosophy will pay off in a U.S. market where it is still very much a newcomer. One acquisition, the Cleveland-based insulation and energy conservation company Clecon, has already proved a headache. Some of the purchases in the building and construction sectors look vulnerable if the U.S. is heading into recession and a period of prolonged high interest rates.

But Tilling has been shrewd as well. "They stocked up with long-term loans from U.S. banks ahead of time when rates were very low" says Mr Michael O'Neill of Hoare Govett, the London brokers. The result is that, according to Mr Black, "even now our average interest rate has moved up to 11 per cent at the most."

Meanwhile the company has put in a unified cash management scheme for all its U.S. subsidiaries operated through Thomas Tilling Inc. its U.S. holding company and a financial control system designed to alert it to problems early as, for example, at Clecon.

He believes that many Europeans worry too much about the "problems" of running a U.S. company.

He is also something of a crusader about Tilling's own management philosophy. "We believe that as much authority as possible should be pushed down the line," he says. "We've had 30 years experience of acquiring companies and indoctrinating people. We're very good at it." The company still only has about 100 people at its London headquarters (and eight in Park Avenue, New York). "That's all you need to help small to medium-size companies grow at a faster rate than they could otherwise grow themselves," he says.

Tilling is an ambitious company and Sir Patrick is already eyeing new opportunities in the Far East where he sees good opportunities in the next 20 years. But the helter-skelter growth of the past four years may be hard to repeat. Already Tilling is falling behind the financial targets it has set itself.

"We really want a 25 per cent return on funds employed before tax and interest charges and are looking for this on new acquisitions," he says. Last year the actual return was only 15.8 after three years in which it was just above 20 per cent. These are healthy enough figures, but not good enough to satisfy Sir Patrick. Pushing the rate of return back up to the levels he wants may prove harder than the company once expected. "After all," says Mr O'Neill of Hoare Govett, "they have expanded so rapidly that they do run the risk that they may have over-extended themselves."

But, adds Sir Patrick, "by any comparison with anywhere else we could have gone, whatever the ups and downs, the U.S. has already proved one of the best possible places for management and growth."

Previous articles in the series concerned Electrolux (July 10) and BOC (August 4).

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

BANCA NAZIONALE DELL'AGRICOLTURA

U.S. $50,000,000
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UNION BANK OF NORWAY LTD.
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THE CHASE MANHATTAN BANK, N.A.

SEPTEMBER 1981

Texasgulf Inc.

has been acquired by

Société Nationale Elf Aquitaine

and

Canada Development Corporation

The undersigned acted as financial advisor to Texasgulf Inc. in this transaction.

MORGAN STANLEY & CO.
Incorporated

September 29, 1981

SEPTEMBER 1981

This advertisement appears as a matter of record only

The Republic of Cyprus

U.S.$85,000,000

Medium Term Loan.

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The Industrial Bank of Japan Finance Company N.V.

U.S.$50,000,000
Guaranteed Floating Rate Notes Due 1988

In accordance with the terms and conditions of the Notes and the provisions of the Reference Agency Agreement between The Industrial Bank of Japan Finance Company N.V., The Industrial Bank of Japan Limited and Citibank, N.A., dated October 6, 1980, notice is hereby given that the Rate of Interest has been fixed at $16\frac{7}{8}$% p.a. and that the interest payable on the relevant Interest Payment Date, April 13, 1982, against Coupon No. 3 will be US$858.96.

October 9, 1981
By: Citibank, N.A., London, Reference Agent. CITIBANK

GENOSSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT
Vienna

U.S. $40,000,000 Floating Rate Notes Due 1983

For the six months
9th October, 1981 to 13th April, 1982
the Notes will carry an
interest rate of $16\frac{11}{16}$ per cent, per annum.

Listed on the Luxembourg Stock Exchange.
By: Morgan Guaranty Trust Company of New York, London
Agent Bank

APPOINTMENTS

Spirax-Sarco integration

Spirax - Sarco Engineering states that Spirax-Sarco Europe and Spirax-Sarco International, which co-ordinate the overseas operations of the group, are to be integrated into the UK operating company, SPIRAX-SARCO, which will become responsible for the world-wide operations of the group's steam speciality interests.

There will be a new, smaller board of directors of Spirax-Sarco: the group chairman and managing director, Mr A. C. Brown, will be chairman and Mr C. J. Tappin has been appointed managing director. In addition, Mr S. J. Gegg has been appointed sales director, Mr T. B. Fortune as manufacturing director, and Mr M. J. Steel as financial director. Mr P. A. Smith will be company secretary.

Mr A. D. Ruxton, who was managing director of Spirax-Sarco will shortly retire. Mr Tappin relinquishes his appointment as group financial director of the parent company, Spirax-Sarco Engineering, but remains a director of that company. Mr S. J. Harris has been appointed group financial controller and continues as secretary of Spirax-Sarco Engineering.

*

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has promoted to vice-president Mr E. Anthony Cuerden and Mr Michael E. Thomson. Mr Cuerden is head of the banking support group and Mr Thomson is head of the treasury support group, both within the operations division at the bank's London office.

*

Mr Michael Jensen has been appointed an executive director of WILLIS FABER AND DUMAS, and Mr Colin Dickens a divisional director, both in the marine division.

*

At FRESHBAKE FOODS Mr John Beadle becomes sales and marketing director. Mr Vic Hindson has been appointed production director and Mr Ken Houldsworth becomes personnel director. Mr Kevin Overton has been made financial controller.

*

Mr D. B. Jack, group accountant and a director of Davenports Brewery, has been appointed to the board of DAVENPORTS BREWERY (HOLDINGS).

*

Mr Derrick Collier has been appointed general manager of PLESSEY AIRPORTS. He joins Plessey from Lonrho where he was managing director of Associated British Hospital Equipment. The Plessey Airports group is being formed into a subsidiary company in Plessey Electronic Systems.

*

Mr Cyril Thistlethwaite has joined CHUBB ALARMS as chief liaison executive, following seven years as director of Chubb's Australian company.

*

Mr Robert Freeman has been appointed group financial controller and company secretary of the GUILD GROUP which comprises Guild Sound and Vision and Guild Home Video.

*

SAUNDERS VALVE COMPANY has appointed Mr John A. Leaver as sales and marketing director. He joins Saunders from Plenty Mirrlees Pumps where he was sales director.

*

Mr Arnold Paterson has been appointed director—marketing at BRITISH TIMKEN from director—sales. Other Timken appointments are Mr Gerhard Reiter, who is promoted to director—co-ordination for Timken Europe, and Mr Klaus Schulze who is promoted to director—marketing — Continental Europe.

*

The Science and Engineering Research Council and the Department of Industry have appointed Professor D. W. Saunders as director of the TEACHING COMPANY SCHEME. Professor Saunders succeeds Dr John Wallace. Professor Saunders' Teaching Company appointment is part-time. He will retain his leadership of the Polymer Group at Cranfield.

*

Mr Nicolas Gorodiche replaces Mr Michel Baron as AIR FRANCE general manager for Great Britain and Ireland. Mr Baron returns to Paris as Air France general manager.

*

Mr John Green-Armytage, a director of N. M. Rothschild and Sons, has been appointed a director of the GUTHRIE CORPORATION.

*

Mr Michael Rodd has been appointed export sales and marketing director for COW AND GATE. He joins the company from the Unilever Group whom he joined in 1953.

*

The BOOTS COMPANY has appointed Mr Peter Courtney as finance director from February 1 on which date he will become a member of the board. He is at present finance director of the Rank Organisation.

*

Mr Alan Gill has been appointed managing director of BEAUFORT ENGINEERING, a subsidiary of Johnston Industries.

*

ABBEY LIFE ASSURANCE has appointed Mr Richard Brown to be senior branch manager of the company's Strathclyde branch in Glasgow.

*

Mr Alistair Ian McDonald has been appointed a director of THE TRUST UNION.

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	16 %
Allied Irish Bank	16 %
American Express Bk.	16 %
Amro Bank	16 %
Henry Ansbacher	16 %
■ Arbuthnot Latham	16 %
Associates Cap. Corp.	16 %
Banco de Bilbao	16 %
BCCI	16 %
Bank of Cyprus	16 %
Bank of N.S.W.	16 %
Banque Belge Ltd.	16 %
Banque du Rhone et de la Tamise S.A.	16½%
Barclays Bank	16 %
Beneficial Trust Ltd.	17 %
Bremar Holdings Ltd.	17 %
Bristol & West Invest.	17 %
Brit. Bank of Mid. East	16 %
■ Brown Shipley	16 %
Canada Perm't Trust	16½%
Cayzer Ltd.	16 %
Cedar Holdings	16 %
■ Charterhouse Japhet	16 %
Choulartons	16 %
Citibank Savings	¶13 %
Clydesdale Bank	16 %
C. E. Coates	16 %
Consolidated Credits	16 %
Co-operative Bank	*16 %
Corinthian Secs.	16 %
The Cyprus Popular Bk.	16 %
Duncan Lawrie	16 %
Eagil Trust	16 %
E. T. Trust Limited	16 %
First Nat. Fin. Corp.	17 %
First Nat. Secs. Ltd.	17 %
Robert Fraser	16 %
Antony Gibbs	16 %
Grindlays Bank	‡16 %
■ Guinness Mahon	16 %
■ Hambros Bank	16 %
Heritable & Gen. Trust	16 %
■ Hill Samuel	§16 %
C. Hoare & Co.	†16 %
Hongkong & Shanghai	16 %
Knowsley & Co. Ltd.	16½%
Langris Trust Ltd.	16 %
Lloyds Bank	16 %
Mallinhall Limited	16 %
Edward Manson & Co.	17 %
Midland Bank	16 %
■ Samuel Montagu	16 %
■ Morgan Grenfell	16 %
National Westminster	16 %
Norwich General Trust	16 %
P. S. Refson & Co.	16 %
Slavenburg's Bank	16 %
E. S. Schwab	17 %
Standard Chartered	‖16 %
Trade Dev. Bank	16 %
Trustee Savings Bank	16 %
TCB Ltd.	16 %
United Bank of Kuwait	16 %
Whiteaway Laidlaw	16½%
Williams & Glyn's	16 %
Wintrust Secs. Ltd.	16 %
Yorkshire Bank	16 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 14.5%, 1-month 14.75%. Short term £4,000/12 month 16.35%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14¼% and over £50,000 14½%.
‡ Call deposits £1,000 and over 14%.
§ Demand deposits 14½%.
‖ 21-day deposits over £1,000 15½%.
¶ Mortgage base rate.

Pont Alexandre III et Jones Lang Wootton

Pont Alexandre is one of the most beautiful of the 30 or so bridges leading to extensive properties on both sides of the River Seine. It was built to commemorate the alliance between France and Russia. (The Arms of the Czar look upstream, and those of Paris downstream.)

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UK NEWS

How Lec is beating the recession

By Terry Garrett

SOMEBODY really ought to nip down to Bognor Regis and let Mr Charles Purley know that there is a recession going on. For Charles Purley is founder and chairman of Lec Refrigeration, a company making more than a third of all Britain's domestically produced fridges and freezers. And the company stubbornly refuses to show symptoms of the sickness so easily recognisable at present in many other "white goods" manufacturers.

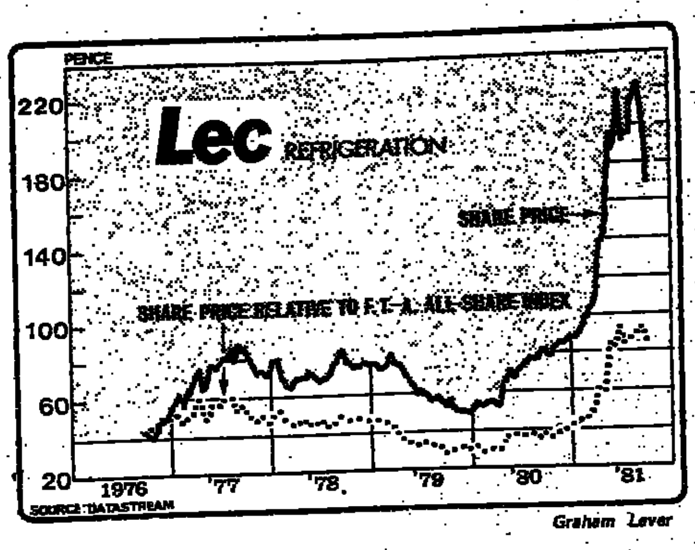
Lec looks a classic example of a one-product company selling into a cyclical industry where the competition is ruthless and underlying demand weak. In 1980 total UK sales of fridges and freezers fell by a tenth to 1.89m. Lec should have been doing badly.

Yet last year Lec produced a 50 per cent profits rise to £2.4m from a 24 per cent sales increase. And in the first half of 1981 the company has notched up a further pre-tax gain of a fifth and is heading towards profits of perhaps £3m for the year. Admittedly these figures follow a four-year period when the company appeared to be going nowhere fast. But the fact remains that Lec is producing some very impressive growth at a time when its competitors are facing a squeeze.

"There is nothing magical about it," says Mr Don Durrant, finance director. With all the talk of recession and general doom and gloom in the early part of 1980 it would have been all too easy, he says, to have cut back on overtime and production, tighten down financial controls and run through the rough patch with a survival attitude. Lec had been through other downturns and come through pretty well.

This time things were different. Lec took the decision to cut prices—drastically on some models—go all out for volume to keep the factory working full time and hope to win sufficient market share to keep profits heading the right way. The company also turned the screws on its suppliers for a few months to spread the strain.

By the end of 1980 Lec was claiming an overall market share of 17 per cent against 14.7 per cent in 1979. The domestic refrigerator market is mature — 93 per cent of all households own one and the manufacturers are left with replacements and newlyweds to create demand — and Lec reckons it has a 16½ per cent market share. Freezer sales have been growing rapidly in the 1970s and Lec claims a 14 per cent market share. But the key to growth is the newer fridge-freezer styled unit which is rapidly catching on in Britain's small kitchens, where space is at a premium. In 1975 only 5 per cent of British housewives had a fridge-freezer. In contrast 84 per cent of them had fridges and 13 per cent straight freezers. By 1980 fridge-freezer penetration had grown to 19 per cent and stockbrokers Hoare Govett are forecasting a rise to 24 per cent for this year. In this rapidly expanding sector Lec calculates it has just over a fifth of the market.



Graham Lever

In the first half of 1981 Lec's growth showed no signs of abating. Units produced amounted to 234,000 against 374,000 for the whole of 1980. Its increase in the numbers of fridge-freezer sales, for example, rose at twice the industry growth rate and while Lec realises it will not keep up that sort of performance it looks assured of a significant gain in market share this year.

Imports, as ever, remain the industry's greatest problems. The Italians have been replaced as the villains by Yugoslav producers and the domestic appliance manufacturers are now accusing them of dumping. All the same Lec has been able to loosen the stranglehold on its own selling prices. After 18 months without an increase all "offers" (a polite word for price cuts) to the retailers have been withdrawn and a couple of price rises were worked through in July. Yet pricing remains Lec's strongest point.

For example, next month Lec launches a range of larder units. These are fridges without the freezer compartment for those with separate freezers. As a guide Lec believes its three models — 4, 5.2 and 7.6 cubic foot capacity — will retail at £93, £97 and £110 respectively. That is well below the competition which are charging between £110 and £140 for the middle sized model, according to Mr Durrent.

Not that you will find expensive advertising campaigns proclaiming "Value for money from Lec." The more Hotpoint, Electrolux and Zanussi advertise the better, according to the Lec men. Heavy branded advertising from manufacturers selling a wide range of electrical appliances helps get people into the shops. But fridges are not like washing machines, cookers or vacuum cleaners; the opportunities for gimmickry are very limited. Attempts have been made to promote fancy products, such as drink chillers, but for many buyers a fridge is a fridge and often the price tag swings the argument.

To underpin an aggressive pricing policy and still make a pre-tax margin of more than 7 per cent Lec has to watch the pennies. A debtor, no matter how big a customer, is expected to pay up pretty sharply. Looking at the 1980 accounts, debtors were paying on average after 39 days while Lec's creditors had to wait 44 days on average. A recent appraisal of Lec by stockbrokers Hoare Govett compared these figures with Hoover which was getting paid every 73 days but paying its creditors over 63 days.

At the same time the return on capital employed at Lec is 23.8 per cent and even on a CCA basis the return is 11.4 per cent. This is quite good by manufacturing industry standards though Lec is not getting the return it once was.

The new mood at Lec has not been lost on the stock market. From 50p at the beginning of last year the shares showed a steady progression throughout 1980 and really started to accelerate in the first half of 1981, hitting a peak of 232p before coming back in the recent market shake-out. Last week the shares were in the news again with vague rumours of a bid. But while the strengths of Lec might make it a target for predators an unwelcome suitor would not get far.

The Purley family owns more than 40 per cent of the shares and the board room stake in totals is around 45 per cent. Charles Purley, who founded the company just after the last war, may be 70 years old but he still has a strong personal commitment to the business he created and the energy to walk the legs off a journalist half his age in showing off the plant. Including a small airstrip — the company has two light aeroplanes for ferrying personnel and parts — the plant stretches over 50 acres.

The works is almost totally vertically integrated. Compressors, condensors, electric motors, virtually everything is manufactured in-house. The only significant part that is bought in is the thermostat.

Between 5,000 and 6,000 tons of sheet metal are purchased each year to turn out the cabinets. The paint shop uses the latest electrostatic methods with a continuous automatic line which can degrease, prime, paint and oven heat some 2,000 cabinets every 24 hours.

From sheets of of polystyrene the interiors are vacuum and heat moulded while injection moulding machines churn out the myriad of small parts which go to make up the final product. There are two main production lines which in a 10-hour day can churn out 700 and 1,300 units. Currently £1m is being spent on increasing compressor capacity by 25 per cent and six new injection moulding machines.

Everything is freehold apart from the new purpose-built 73,000 sq ft warehouse which is rented. This has a capacity to store between 60,000 and 75,000 units and, was opened in February this year to "clean up" the distribution system and make it more cost effective.

Bognor is also the home of the specialist products division, a spin-off from Lec's expertise in refrigeration. The company has become one of the leading manufacturers of fridges for aeroplane galleys. It produces blood storage cabinets, environmental test chambers and specialist storage facilities for hospitals and research centres. Within reason the plant can produce anything to a customer's requirements. Some of the more bizarre requests include coffin coolers for the Dutch market.

The specialist division is a fairly small operation — with sales of around £1m a year — but it is expanding and will provide a growing profits centre. The same cannot be said for Lec's small Calais factory, the only plant it has outside Bognor since it withdrew from Londonderry.

Lec went to Calais on the strength of excitement about the new wider European Community and local grants. It has not provided the foothold in Europe the company was looking for. Most of the Calais production is shipped to the UK and now inter-union problems have hit production and the operation is only just operating above break even level. Its ultimate survival probably rests on the union fight.

Lec has also developed a sizeable export business. In 1980 exports reached £7.14m—a fifth of group sales. Much of this, perhaps £6m, is in the form of knocked down kits or components to licensees. Lec takes a small royalty fee on sales and also a front end charge for advising on the plant and training personnel.

Lec has etched out a rather cosy position for itself in the fridge and freezer market. It holds this stance by dint of its selling prices and spares and service back-up. Not a small point when the Electricity Boards are major customers. Still it remains a minnow in an appliance market dominated by giants. But as chairman Charles Purley puts it: "If you are in the mouse-trap business and make the best mouse-traps, the world will come knocking on your door."

COMPANY NOTICES

General Shopping SA

Société Holding Internationale pour le Commerce de Détail

Registered Office: Luxembourg, 5, Boulevard Royal.

NOTICE IS HEREBY GIVEN THAT THE

ANNUAL GENERAL MEETING

of General Shopping SA will be held in the conference room of Banque Internationale à Luxembourg SA, 2, Boulevard Royal, Luxembourg, on 28th October 1981 at 11.00 a.m.

AGENDA

1. Report of the Board of Directors and Statutory Auditors on the business year ended 30th June 1981.
2. Approval of the Balance Sheet and Profit and Loss Account for the business year ended 30th June 1981.
3. Application of Net Profit.
4. Discharge of the Board of Directors and the Statutory Auditors.
5. Elections.
6. Miscellaneous.

The resolutions on the agenda of the Annual General Meeting do not require a special quorum and will be passed by a simple majority of the votes of the shareholders attending, with the proviso that no person is entitled to vote for himself or by proxy for more than one-fifth of the issued share capital or two-fifths of the share capital present or represented at the Meeting.

Holders of bonds issued by the company are entitled to attend the Meeting, but without voting power.

In order to be entitled to attend the above General Meeting, the shareholders—according to Article 27 of the Articles of Incorporation—must deposit their share certificates at least 5 days prior to the Meeting (in this case on Thursday, 22nd October at the latest) with the bank mentioned hereafter. Against deposit of share certificates the following bank in the United Kingdom will then issue entrance cards for the Meeting:

Williams & Glyns Bank Ltd., London

as well as all other banks assuring tre financial service for the company in other countries.

For the Board of Directors,
W. WIRTH, Chairman.

Luxembourg, 24th August 1981

ELECTRICITY SUPPLY COMMISSION (ESCOM)

8½% 1971-1986 US$20,000,000

On September 25, 1981, Bonds for the amount of US$607,000 have been drawn for redemption in the presence of a Notary Public. The Bonds will be reimbursed coupon no. 11 and following attached on and after December 1st, 1981.

The drawn Bonds are those not yet previously redeemed, included in the range beginning at 5345 up to 7074 incl.

Amount purchased on the market: US$893,000.

Amount outstanding: US$8,000,000.

Outstanding drawn Bond 8,655.

THE TRUSTEE
FINIMTRUST S.A.

Luxembourg
October 9, 1981.

ENEL

$US400,000,000 FLOATING RATE NOTES DUE 1987

For the six months October 1, 1981 to March 31, 1982, the notes will carry an interest rate of 18⅛% per annum.

The interest due April 1, 1982 against coupon no. 4 will be $US462.90 and has been computed on the actual number of days elapsed (182) divided by 360.

The Principal Paying Agent
SOCIETE GENERALE ALSACIENNE DE BANQUE

15, Av. E. Reuter,
LUXEMBOURG.

Consolidated Gold Fields Limited

NOTICE TO HOLDERS OF ORDINARY SHARE WARRANTS TO BEARER

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the Company will be held at the Hotel Inter-Continental *Grand Ballroom Entrance*, One Hamilton Place, London, W.1. on Tuesday, 27th October, 1981 at 11.35 a.m. (or so soon thereafter as the Annual General Meeting of the Company shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an ORDINARY RESOLUTION:—

RESOLUTION

THAT this meeting approves the proposed acquisition by any one or more of the Company, Amcon Group Inc. and any other subsidiary of the Company of shares of Common Stock of Newmont Mining Corporation not exceeding in the aggregate 49.99 per cent. of the Common Stock for the time being outstanding of such company.

By Order of the Board,
P.E.G. ROE,
Secretary

9th October, 1981
Registered Office: — 49 Moorgate, London EC2R 6BQ.

Note
Holders of share warrants to Bearer who wish to be present or represented at the meeting may obtain the necessary information regarding the formalities to be complied with from 49, Moorgate, London EC2R 6BQ.

CORRECTED NOTICE

CAN $50,000,000 HYDRO QUEBEC

9.5% Debentures
Due 15.10.1975/81

To noteholders of Debentures Series CV, Can$50,000,000 please be advised that all debentures for this issue are due for redemption on 15th October 1981.

SKANSKA BANKEN

US$10,000,000 FLOATING RATE CAPITAL NOTES 1986

Noteholders are hereby informed that the applicable rate for the first interest period has been fixed at 18⅛% p.a. Coupon No. 1 will be payable as from April 2nd, 1982 at a price of US$46,763.88 which is 18⅛% interest worked out on a basis of 182/360th covering the period from October 2, 1981 to April 2, 1982 inclusive.

This notice supersedes previous notice published 7th October.

The Fiscal Agent
SCANDINAVIAN BANK LIMITED
London

LEGAL NOTICE

GARDEN COURT (ALICANTE) LIMITED

NOTICE IS HEREBY GIVEN that a Meeting of the Creditors of the above-named Company will be held at 15, St. Helen's Place, Bishopsgate, London, EC3A 6DJ on Tuesday the 3rd day of November 1981 at 11.30 o'clock in the forenoon, for the purposes mentioned in Sections 293, 294 and 295 of the Companies Act 1948.

Dated this 6th day of October 1981.

O. H. LAV
(Solicitor)—Director.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W1. Indian & other new paintings & drawings.

DRIAN GALLERIES, 7 Porchester Place, W2. 723 9473. Paintings by Nina Hosali. Till 17th October. Daily 10-5, Sat. 10-1.

FIELDBORNE GALLERIES, 63, Queens Grove, St. Johns Wood. 586 3600. Summer Exhibition.

JOHN PAWLE—Recent Paintings DALLAS GALLERY, 9 Old Bond St. (3rd Floor), W1. 491 8662. Until 16 Oct. Mon.-Fri. 10-6.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. 20th CENTURY WORKS ON VIEW. Mon.-Fri. 10-5, Sat. 10-1. 01-734 7984. ANTHONY EYTON—

MARLBOROUGH, 6, Albemarle St., W1. KURT SCHWITTERS IN EXILE: THE LATE WORK 1937-48. Until 31 Oct. Mon.-Fri. 10-5.30, Sat. 10-2.30.

MATHAF GALLERY, 24, Motcomb Street, London, SW1. Tel 235 0010. Specialists in 19th Century and Contemporary paintings of ARABIA.

THACKERAY GALLERY, 18, Thackeray Street, Kensington Square, W.8. 937 5883. ANDY WOOD—Paintings & WATERCOLOURS until 23 Oct.

TRAVEL

FLY FIRST CLASS For Savings plus Service. Phone St. James's Travel: 499 8173 (Air Agents).

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS £12m 91-day Bills issued 8th October 1981, mature 7th January 1982. Applications totalled £16m. Minimum accepted price £96.005. Average rate of discount 15.005%. Total Bills outstanding £...

CLASSIFIED ADVERTISEMENT RATES

	Per line £	Single column cm £
Commercial and Industrial Property Businesses for Sale/Wanted	7.50	24.50
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Personal	5.50	17.50
Motor Cars	5.50	17.50
Hotels and Travel	5.50	17.50
Contracts and Tenders	7.50	24.50
Book Publishers	—	net 10.00

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For further details write to:
Classified Advertisement Manager
Financial Times, 10, Cannon Street, EC4P 4BY

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Companies and Markets

CURRENCIES, MONEY and GOLD

£ very firm

Sterling rose sharply in the foreign exchange market yesterday, reflecting the recent increase in British interest rates at a time when rates in the U.S. and Germany have shown an easier trend. The pound was also helped by concern about oil supplies from the Middle East following the death of President Sadat and reports of clashes between Egyptian police and Moslem demonstrators in the south of the country. Sterling finished at its highest level for three months against the dollar and for about a month against major currencies in general.

Dollar closed in London near its lowest levels of the day as a result of the downward move in New York interest rates in recent days, despite a slight increase in Eurodollar rates yesterday.

European currencies gained ground against the dollar, while the D-mark weakened slightly within the European Monetary System after the cut in the Bundesbank Lombard rate.

DOLLAR — Trade-weighted index (Bank of England) fell to 107.2 from 107.4. The U.S. currency fell to DM 2.2045 from DM 2.2190 against the D-mark; to FFr 5.5275 from FFr 5.5625 against the French franc; to SwFr 1.8850 from SwFr 1.8775 in terms of the Swiss franc; and was unchanged at Y228.25 against the Japanese yen.

STERLING — Trade-weighted index (Bank of England) rose to 89.8 from 88.4, after opening at 89.3 and rising to 89.6 at noon. It closed at the highest level since September 4. The pound opened at $1.8720-1.8730, and fell to a low of $1.8675-1.8685 in the morning, but then rose steadily to touch $1.9030-1.9050 in late trading, before closing at $1.8990-$1.9010, a rise of 3.10 cents on the day, and the highest finishing level since July 7. Sterling rose to DM 4.19 from DM 4.1475; to FFr 10.50 from FFr 10.39; to SwFr 3.5450 from SwFr 3.51; and to Y433.50 from Y426.50.

D-MARK—No longer strongest member of the European Monetary System following Sunday's realignment. However the 5.5 per cent revaluation of the German currency has only reinforced market sentiment that the D-mark has been undervalued against its EMS partners for some time. After an initial period to improve from its fluctuation the D-mark is ex- current position near the bottom of the system while there may also be room for the Bundesbank to ease domestic credit policy — The D-mark showed mixed changes at the Frankfurt fixing, weakening against the dollar and sterling, but rising against the Swis franc, Dutch guilder, and French franc. The Bundesbank sold $14.1m when the dollar was fixed at DM 2.2290 compared with DM 2.2165 on Wednesday. Later in the day the U.S. currency retreated to DM 2.2070, despite a rise to DM 2.2360 shortly after news that the German central bank had cut its Lombard rate to 11 per cent from 12 per cent. Sterling rose to DM 4.2050 from DM 4.1300 at the fixing, and remained around that level in late trading, while the French franc, strongest member of the EMS since the realignment, fell to DM 39.87 from DM 39.88 per 100 francs.

DANISH KRONE — Firmer recently against the dollar and its EMS partners, helped by Denmark's improving trade deficit, and a lower inflation rate. The krone has been quite strong near the top of the EMS since the realignment of the system at the beginning of this week — The krone rose against most currencies at the Copenhagen fixing, improving its position within the EMS. The French franc, strongest member of the system since Sunday's realignment, fell to DKr 1.2820 from DKr 1.2835, while the D-mark declined to DKr 3.2170

THE DOLLAR SPOT AND FORWARD

Oct 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8675-1.9050	1.8990-1.9010	0.07c pm-0.03 dis	0.13	0.17-0.27dis	−0.46
Ireland†	1.5910-1.6080	1.5980-1.6030	0.70-0.60c pm	4.89	1.45-1.30 pm	3.45
Canada	1.1984-1.2010	1.1984-1.1987	0.40-0.45c dis	−4.25	0.82-0.87dis	−2.82
Nethlnd.	2.4430-2.4725	2.4460-2.4600	0.60-0.50c pm	2.89	2.45-2.35 pm	3.91
Belgium	37.04-37.45	37.04-37.06	33-43c dis	−12.24	50-65 dis	−6.17
Denmark	7.1125-7.1600	7.1275-7.1375	1¾-1½ore dis	−2.31	1¼-1¾ dis	−0.84
W. Ger.	2.1980-2.2400	2.2040-2.2050	0.80-0.75pf pm	4.22	2.70-2.64 pm	4.84
Portugal	63.55-64.30	63.55-63.75	45-275c dis	−30.12	80-400 dis	−15.06
Spain	94.00-94.80	94.00-94.10	par-10c dis	−0.63	15-35 dis	−1.06
Italy	1,182-1,190¾	1,182¾-1,183¾	4-6lire dis	−5.07	19-22 dis	−6.93
Norway	5.7960-5.8400	5.8125-5.8225	0.80-0.40ore pm	1.24	3.10-2.70 pm	1.99
France	5.5250-5.6150	5.5250-5.5300	2¼-3¼c dis	−5.93	5-6½ dis	−4.13
Sweden	5.4670-5.4900	5.4720-5.4820	1.35-1.20ore pm	2.79	5.20-5.05 pm	3.74
Japan	228.00-230.50	228.20-228.30	1.75-1.60y pm	8.81	5.10-4.95 pm	8.81
Austria	15.46-15.58	15.46-15.47	5½-4gro pm	3.67	14½-10¾ pm	3.29
Switz.	1.8620-1.8960	1.8845-1.8855	0.82-0.72c pm	4.95	2.63-2.53 pm	5.53

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

Oct 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8675-1.9050	1.8990-1.9010	0.07c pm-0.03 dis	0.13	0.17-0.27dis	−0.46
Canada	2.2425-2.2850	2.2780-2.2800	0.55-0.65c dis	−3.16	1.55-1.75dis	−2.90
Nethlnd.	4.60-4.67	4.63¾-4.64¾	1¼-¾c pm	2.58	4¼-3¾ pm	3.45
Belgium	69.50-70.80	70.30-70.40	60-75c dis	−11.51	110-130 dis	−6.82
Denmark	13.41-13.53	13.47-13.49	½-1½ore dis	−0.89	2¾-4¼ dis	−1.04
Ireland	1.1750-1.1870	1.1790-1.1810	0.38-0.51p dis	−4.52	1.03-1.19dis	−3.76
W. Ger.	4.16½-4.21½	4.18½-4.19½	1½-1¼pf pm	3.94	4¾-4¼ pm	4.29
Portugal	119.00-121.50	120.50-121.00	75-515c dis	−29.32	150-760dis	−15.07
Spain	176.00-179.20	178.80-179.00	5-25c dis	−1.01	45-75 dis	−1.34
Italy	2,208-2,253	2,244½-2,246½	9½-11½lire dis	−5.61	40-44 dis	−7.48
Norway	10.90-11.03	11.00½-11.02½	1½ore pm-½ dis	0.82	5½-4 pm	1.70
France	10.45-10.54	10.49½-10.50½	3-4c dis	−4.00	8½-10 dis	−3.52
Sweden	10.27-10.40	10.38-10.39	3-2¼ore pm	3.03	9½-8½ pm	3.47
Japan	427-437	433-434	3.50-3.20y pm	9.27	9.30-9.00 pm	8.44
Austria	29.20-29.45	29.35-29.40	11-6gro pm	3.47	25-15 pm	2.72
Switz.	3.52½-3.58½	3.54-3.55	1¾-1¼c pm	5.08	5-4½ pm	5.36

Belgian rate is for convertible francs. Financial franc 77.55-77.65. Six-month forward dollar 0.64-0.74c dis. 12-month 1.05-1.25c dis.

CURRENCY MOVEMENTS

Oct. 8	Bank of England Index	Morgan Guaranty Changes%
Sterling	89.8	−34.1
U.S. dollar	107.2	+1.5
Canadian dollar	87.4	−17.3
Austrian schilling	119.4	+26.8
Belgian franc	107.2	+9.7
Danish kroner	89.4	−8.2
Deutsche mark	124.2	+44.8
Swiss franc	147.7	+94.4
Guilder	114.6	+18.9
French franc	82.6	−12.8
Lira	56.3	−57.3
Yen	138.1	+33.2

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 7	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.623721	0.590414
U.S. $	14	1.16168	1.10053
Canadian $	19.60	1.39262	1.31734
Austria Sch.	6¾	18.0664	17.0693
Belgian F.	13	43.1419	40.8463
Danish K.	11	8.28278	7.83304
D mark	7½	2.57486	2.43495
Guilder	9	2.84728	2.69530
French Fr.	9½	6.45720	6.10796
Lira	19	1371.94	1299.73
Yen	6¼	267.419	250.536
Norwgn. Kr.	9	6.73774	6.39464
Spanish Pts.	8	109.605	103.890
Swedish Kr.	12	6.36310	6.02487
Swiss Fr.	6	2.18047	2.06295
Greek Dr'ch.	20½	—	61.4372

OTHER CURRENCIES

Oct. 8	£	$		£ Note Rates
Argentina Peso	11,215-11,235†	5897-5917†	Austria	29.20-29.60
Australia Dollar	1.6435-1.6475	0.8655-0.8660	Belgium	77.00-78.00
Brazil Cruzeiro	209.24-210.24	110.12-110.67	Denmark	13.42-13.57
Finland Markka	8.294-8.311	4.3770-4.3790	France	10.47-10.57
Greek Drachma	105.012-106.126	55.80-56.00	Germany	4.17¾-4.22¾
Hong Kong Dollar	11.37¼-11.42¼	6.01-6.03	Italy	2200-2275
Iran Rial	147.50*	79.00*	Japan	430-435
Kuwait Dinar (KD)	0.525-0.531	0.2810-0.2817	Netherlands	4.62¾-4.67¾
Luxembourg Fr.	70.30-70.40	37.04-37.06	Norway	10.94-11.06
Malaysia Dollar	4.37-4.39	2.3050-2.3150	Portugal	116¾-135
New Zealand Dlr.	2.2750-2.2780	1.1970-1.1980	Spain	174½-186½
Saudi Arab. Riyal	6.35-6.39	3.3950-3.4050	Sweden	10.16-10.26
Singapore Dollar	3.9725-3.9925	2.0950-2.1050	Switzerland	3.53½-3.57½
Sth. African Rand	1.7935-1.7955	0.9440-0.9450	United States	1.88-1.90
U.A.E. Dirham	6.84-6.90	3.6700-3.6750	Yugoslavia	82-86

† Rate given for Argentina is the commercial rate. The financial rate for sterling 14,477-14,497 and for the dollar 7,600-7,650. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.0587	+0.74	+0.39	±1.5368
Danish Krone	7.91117	7.84780	−0.80	−1.15	±1.6412
German D-Mark	2.40989	2.44089	+1.29	+0.94	±1.1077
French Franc	6.17443	6.12249	−0.84	−1.19	±1.3733
Dutch Guilder	2.66382	2.70149	+1.41	+1.06	±1.5063
Irish Punt	0.684452	0.688314	+0.56	+0.21	±1.6688
Italian Lira	1300.67	1298.64	−0.16	−0.16	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for October 8 ... 0.582490

EXCHANGE CROSS RATES

Oct. 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1.	1.900	4.190	433.5	10.50	3.545	4.643	2246.	2.279	70.35
U.S. Dollar	0.526	1.	2.205	228.2	5.526	1.866	2.443	1182.	1.199	37.03
Deutschemark	0.239	0.453	1.	103.5	2.506	0.846	1.108	535.9	0.544	16.79
Japanese Yen 1,000	2.307	4.383	9.666	1000.	24.22	8.178	10.71	5180.	5.257	162.3
French Franc 10	0.952	1.810	3.990	412.9	10.	3.376	4.421	2139.	2.170	67.00
Swiss Franc	0.282	0.536	1.182	122.3	2.962	1.	1.310	633.4	0.643	19.84
Dutch Guilder	0.215	0.409	0.903	93.38	2.262	0.764	1.	483.7	0.491	15.15
Italian Lira 1,000	0.445	0.846	1.866	193.1	4.676	1.579	2.067	1000.	1.015	31.33
Canadian Dollar	0.439	0.834	1.839	190.2	4.607	1.556	2.037	985.3	1.	30.87
Belgian Franc 100	1.421	2.701	5.956	616.2	14.93	5.039	6.599	3192.	3.240	100

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 8)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 5/16	offer 16 7/16	bid 16 7/16	offer 16 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Oct. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	16½-15¾	14-14¼	18½-18¾	12⅝-12⅝	8½-9	10⅞-11	18-20	18-21	14-34	5½-6
7 days' notice	15⅝-15⅞	14¼-14⅛	18½-18½	12½-12⅝	8½-9	10⅞-11	18-20	18⅛-22⅛	20-30	5⅛-6⅛
Month	16-16⅛	15¼-15½	18¾-19⅛	12 11/16-12 13/16	10⅝-10⅞	11-11⅛	19½-20½	21¼-23¾	24½-27½	6 7/16-6 11/16
Three months	15-15⅛	16¼-16½	18⅝-19⅛	12 7/16-12 9/16	10 7/16-10 9/16	11 7/16-11 9/16	19½-20½	23¼-24½	20-22¼	7⅜-7⅝
Six months	16-16⅛	16⅜-16⅝	18½-18⅞	12-12⅛	10 7/16-10 11/16	11 7/16-11 9/16	19-20	24¼-25½	19-20¼	7 7/16-7 11/16
One Year	16⅞-16⅛	16¾-15½	18½-18⅞	11⅞-12	9 7/16-9 11/16	10⅞-11	10-20	23¾-28	17¼-18¼	8⅛-8⅜

SDR linked deposits: one-month 14 7/16-14 11/16 per cent; three-months 14½-14⅞ per cent; six-months 14½-14⅞ per cent; one-year 14 7/16-14 13/16 per cent.

ECU linked deposits: one-month 15⅛-15½ per cent; three-months 15⅛-15½ per cent; six-months 15 5/16-15¾ per cent; one-year 14 13/16-15 3/16 per cent.

Asian $ (closing rates in Singapore): one-month —— per cent; three months —— per cent; six-months —— per cent; one-year —— per cent.

Long-term Eurodollar two years 16½-16¾ per cent; three years 15½-15¾ per cent; four years 16½-16¾ per cent; five years 16½-16¾ per cent nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.10-15.20 per cent; three-months 16.05-16.15 per cent; six-months 16.25-16.39 per cent; one year 16.05-16.15 per cent.

MONEY MARKETS

Surprise shortage

London clearing banks base lending rates 16 per cent (since October 1)

Day-to-day credit was in short supply in the London money market yesterday, the shortfall being somewhat larger than expected. The Bank of England gave an early forecast of around £300m shortage, with bills maturing in official hands and a net take-up of Treasury bills, totalling —£75m, the unwinding of a previous sale and repurchase agreement —£130m, and Exchequer transactions —£85m cited as the main factors affecting the market. The Bank gave help in the morning totalling £205m. This comprised purchases of Treasury bills totalling £100m in band 1 (up to 14 days) at 15¼-15¾ per cent, £51m of eligible bank bills in band 1 at 15½-15¾ per cent, £1m of Treasury bills in band 2 (15-33 days) at 15¾ per cent, and £53m eligible bank bills in band 2 at 15¼-15¾ per cent.

Further assistance was given during the afternoon totalling £73m, with the Bank purchasing eligible bank bills in band 1 at 15¼-15½ per cent. Discount houses were paying up to 15¼ per cent for secured call loans, with later balances taken down to 14¼ per cent.

In the interbank market rates were mostly steady but have fallen sufficiently since October 1 (when base rates went to 16 per cent) to entertain the possibility of a one point cut in base rates to 15 per cent. However much depends on sterling's performance and movements in U.S. interest rates. Call money yesterday opened at 15¼-15¾ per cent and despite the shortage traded at 15-15¼ per cent before falling away to 14¼-14¾ per cent. Late balances were taken at 15¾-16 per cent however.

In Frankfurt the special Lombard rate was cut to 11 per cent from 12 per cent yesterday. Such a move became a distinct possibility after the D-mark's recent revaluation within the European Monetary System. A fall in U.S. interest rates was also probably a contributory factor. Call money was quoted at 11.85 per cent in the money market, compared with 11.9375 per cent on Wednesday, and one-month money eased to 12.1 per cent from 12.175 per cent.

In New York Chase Manhattan cut its prime rate to 18½ per cent from 19 per cent, the first major bank to do so, continuing the easier trend seen recently in U.S. rates. Federal funds stood at 14¼-14¾ per cent having opened at 14¼ per cent and the Federal Reserve Bank drained reserves from the market by arranging five-day reverse repurchase agreements.

In Paris average yields at the Bank of France's latest Treasury bill tender fell sharply. The six-month rate was 16.75 per cent from 17.81 per cent and 17.32 per cent from 18.31 per cent for 12-month. Euro French franc rates were also sharply easier.

MONEY RATES

NEW YORK	
Prime rate	18½-18½
Fed. funds	14½-14¾
Treasury bills (13-week)	13.82
Treasury bills (26-week)	14.10
GERMANY	
Special Lombard	11.0
Overnight rate	11.85
One month	12.10
Three months	12.225
Six months	11.825
FRANCE	
Intervention rate	17.75
Overnight rate	18.5
One month	17.8875
Three months	17.375
Six months	16.25
JAPAN	
Discount rate	6.25
Call (unconditional)	7.25
Bill discount (three-month)	7.40625

LONDON MONEY RATES

Oct. 8 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	14½-16	15¼-15¾	—	—	15¼-15⅞	14½-15½	—	—	—
2 days notice	—	—	15⅞-16	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15½-16	16-16⅛	—	16	15¾-16¼	15¼-15⅝	—	—	—
One month	16 1/16-15 15/16	16 1/16-16 5/16	16⅛	16½-16⅛	16⅛	16⅜-16½	15½-15⅝	15 13/16-15⅞	15 7/16-15⅞	15⅝
Two months	16 1/16-15 15/16	16⅛-16¼	—	16½-16¼	16 1/16	16⅝-16½	15⅝	15⅝-15 11/16	15 11/16	16¼
Three months	16-15⅞	16⅛-16 5/16	16¼	16½-16¼	16¼	16½-16⅝	15½-15⅝	15⅝-15 11/16	15⅝	16
Six months	15 13/16-15¾	16⅛-16¼	16⅛	15⅞-15¼	15⅞	—	—	—	14 13/16-14¾	15⅝
Nine months	15 11/16-15⅝	15¾-16⅛	—	16⅛-15¾	16	—	—	—	—	—
One year	15⅝-15⅝	15⅝-15⅞	15⅞	15⅝-15⅛	15⅞	—	—	—	—	—
Two years	—	—	15⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 15¾ per cent; four years 15¾ per cent; five years 15¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15 5/16-15 3/16 per cent; four-month trade bills 15 11/16 per cent.

Approximate selling rate for one-month Treasury bills 15 21/32-15¾ per cent; two-months 15½-15 9/16 per cent; three-months 15¾ per cent. Approximate selling rate for one-month bank bills 15 25/32-15¾ per cent; two-months 15 9/16 per cent; and three-months 15½-15 7/16 per cent; one-month trade bills 16¾ per cent; two-months 16 per cent; three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from October 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 14½ per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 15.8785 per cent.

GOLD

Slight rise

Gold rose $1½ to $445-447 in the London bullion market yesterday. The metal opened at $442-443 and was fixed at $441.75 in the morning and $443.25 in the afternoon. It fell to a low point of $440½-441½, and closed at the highest level of the day, boosted by reports of civil unrest in Egypt.

In Paris the 12½ kilo gold bar was fixed at FFr 87,500 per kilo ($487.73 per ounce) in the afternoon, compared with FFr 88,000 ($490.95) in the morning, and FFr 88,000 ($492.41) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 31,810 per kilo ($443.99 per ounce) against DM 31,750 ($445.95) and closed at $443-445, compared with $444-446.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $442.25 per ounce, compared with $444.50.

In Zurich gold finished at $446-449, against $443-445.

	Oct. 8		Oct. 7	
Gold Bullion (fine ounce)				
Close	$445-447	(£234¼-235¼)	$443½-445½	(£238¼-239¼)
Opening	$442-443	(£236-236½)	$448-449	(£241½-242)
Morning fixing	$441.75	(£235.474)	$445.50	(£239.415)
Afternoon fixing	$443.25	(£233.967)	$445.50	(£239.259)
Gold Coins				
Krugerrand	$455½-457½	(£239¾-240¾)	$459-460	(£245¾-246¼)
1/2 Krugerrand	$235-239	(£123¾-125¾)	$241-242	(£129-129½)
1/4 Krugerrand	$119-123	(£62½-64¾)	$124-125	(£66½-67)
1/10 Krugerrand	$48-51	(£25¼-26¾)	$51-52	(£27¼-27¾)
Mapleleaf	$455½-457½	(£239¾-240¾)	$459-460	(£245¾-246¼)
New Sovereigns	$106½-108½	(£56-57)	$107½-108½	(£57½-58)
King Sovereigns	$122-124	(£64¼-65¼)	$122-124	(£65½-66½)
Victoria Sovs	$122-124	(£64¼-65¼)	$122-124	(£65½-66½)
French 20s	$135-139	(£71-73)	$134-138	(£71¾-73¾)
50 pesos Mexico	$554-557	(£291½-293)	$555-556	(£296-297¾)
100 Cor. Austria	$433-436	(£227¾-229½)	$432-435	(£231¼-233)
$20 Eagles	$587-592	(£309-311½)	$590-594	(£316-318)

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, October 7, 1981. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.08
Albania	Lek	5.4324
Algeria	Dinar	4.1875
Andorra	Fr. Franc	5.5275
	Sp. Peseta	94.50
Angola	Kwanza	27.627
Antigua	E. Caribbean $	2.7025
Argentina	Peso (O) (4)	5867.00
	Peso (F) (5)	7825.00
Australia	Dollar	0.8702
Austria	Schilling	15.515
Azores	Port. Escudo	63.80
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is.	Sp. Peseta	94.50
Bangladesh	Taka	17.75
Barbados	Dollar	2.01
Belgium	Franc (C)	37.22
	Franc (F)	40.85
Belize	Dollar	2.00
Benin	C.F.A. Franc	277.875
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.05
Bolivia	Peso	24.75
Botswana	Pula	0.866
Brazil	Cruzeiro	108.37
Brunei	Dollar	2.115
Bulgaria	Lev	0.94
Burma	Kyat	6.4318
Burundi	Franc	90.00
Cameroon Rp.	C.F.A. Franc	277.875
Canada	Dollar	1.1976
Canary Is.	Sp. Peseta	94.50
Cape Verde	Escudo	43.93
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	277.875
Chad	C.F.A. Franc	277.875
Chile	Peso (O)	39.00
China	Renminbi Yuan	1.746
Colombia	Peso (O)	56.49
Comoros	C.F.A. Franc	277.875
Congo (P'ple.Rep.of	C.F.A. Franc	277.875
Costa Rica	Colon (O)	8.60
	Colon (F)	20.03
Cuba	Peso	0.7315
Cyprus	Pound*	2.3057
Czechoslovakia	Koruna (O)	5.80
Denmark	Krone	7.1325
Djibouti Rp. of	Franc	176.50
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre	28.425
Egypt	Pound* (O)	1.4493
	Pound* (F)	1.2092
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	189.00
Ethiopia	Birr (O)	2.0278
Faeroe Is.	Dan. Krone	7.1325
Falkland Is.	Pound*	1.8992
Fiji	Dollar	0.885
Finland	Markka	4.381
France	Franc	5.5575
Fr. C'ty in Af.	C.F.A. Franc	277.875
Fr. Guiana	Franc	5.5575
Fr. Pac. Is.	C.F.P. Franc	96.8158
Gabon	C.F.A. Franc	277.875
Gambia	Dalasi	2.1515
Germany (E)	Ostmark (O)	2.2165
Germany (W)	Mark	2.2165
Ghana	Cedi	2.75
Gibraltar	Pound*	1.8992
Greece	Drachma	55.65
Greenland	Dan. Krone	7.1325
Grenada	E. Caribbean $	2.7025
Guadeloupe	Franc	5.5575
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	37.5888
Guinea Rep.	Syli	21.3567
Guyana	Dollar	2.9545
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	6.05
Hungary	Forint	35.00
Iceland	Krona	7.173
India	Rupee	9.05
Indonesia	Rupiah	630.00
Iran	Rial (O)	80.95
Iraq	Dinar	0.2958
Irish Rep.	Punt*	1.6065
Israel	Shekel	13.59
Italy	Lira	1190.00
Ivory Coast	C.F.A. Franc	277.875
Jamaica	Dollar	1.7834
Japan	Yen	228.85
Jordan	Dinar	0.331
Kampuchea	Riel	n.a.
Kenya	Shilling	10.2627
Kiribati	Aust. Dollar	0.8702
Korea (Nth)	Won	0.94
Korea (Sth)	Won	685.00
Kuwait	Dinar	0.2822
Lao P'ple D. Rep.	Kip	10.00
Lebanon	Pound	4.585
Lesotho	Loti	0.9452
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	1.862
Luxembourg	Lux Franc	37.22
Macao	Pataca	6.289
Madagascar D. R.	Franc	277.875
Madeira	Port. Escudo	63.80
Malawi	Kwacha	0.9097
Malaysia	Ringgit	2.317
Maldive Is.	Rupee	3.93
Mali Rp.	Franc	555.75
Malta	Pound*	2.5882
Martinique	Franc	5.5575
Mauritania	Ouguiya	50.575
Mauritius	Rupee	10.7559
Mexico	Peso	25.50
Miquelon	Fr. Franc	5.5575
Monaco	Fr. Franc	5.5575
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	5.2078
Mozambique	Metica	28.9641
Namibia	S.A. Rand	0.9452
Nauru Is.	Aust. Dollar	0.8702
Nepal	Rupee	13.20
Netherlands	Guilder	2.4496
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.2073
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	277.875
Nigeria	Naira (O)	0.6519
Norway	Krone	5.7975
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	9.84
Panama	Balboa	1.00
Papua N.G.	Kina	0.6819
Paraguay	Guarani	126.00
Peru	Sol	458.44
Philippines	Peso	8.04
Pitcairn Is.	N.Z. Dollar	1.2073
Poland	Zloty (O)	31.00
Portugal	Escudo	63.80
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	5.5575
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	1.8992
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr. Franc	5.5575
St. Vincent	E. Caribbean $	2.7025
Samoa (Western)	Tala	1.0668
Samoa (Am)	U.S. $	1.00
San Marino	It. Lira	1190.00
Sao Tome & Principe DR	Dobra	38.9652
Saudi Arabia	Riyal	3.415
Senegal	C.F.A. Franc	277.875
Seychelles	Rupee	7.1842
Sierra Leone	Leone	1.1771
Singapore	Dollar	2.115
Solomon Is.	Dollar $	0.8933
Somali Rep.	Shilling (6)	6.35
	Shilling (7)	12.45
South Africa	Rand	0.9452
Spain	Peseta	94.50
Span. Ports in N. Africa	Sp. Peseta	94.50
Sri Lanka	Rupee	20.74
Sudan Rep.	Pound* (2)	2.00
	Pound* (1)	1.25
Surinam	Guilder	1.785
Swaziland	Lilangeni	0.9452
Sweden	Krona	5.477
Switzerland	Franc	1.882
Syria	Pound	3.9262
Taiwan	Dollar (O)	37.91
Tanzania	Shilling	8.1218
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	277.875
Tonga Is.	Pa'anga	0.8702
Trinidad & Tobago	Dollar	2.4055
Tunisia	Dinar	0.5108
Turkey	Lira	122.90
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.8702
Uganda	Shilling	78.00
Utd. A'b. Emir.	Dirham	3.6727
Utd. Kingdom	Pound Sterling*	1.8992
Upper Volta	C.F.A. Franc	277.875
Uruguay	Peso	11.20
U.S.S.R.	Rouble	0.7729
Vanuatu	Vatu	89.8182
	Aust. Dollar	0.8702
Vatican	It. Lira	1190.00
Venezuela	Bolivar	4.29
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.57
Yemen PDR	Dinar	0.3415
Yugoslavia	Dinar	38.335
Zaire Rp.	Zaire	5.4674
Zambia	Kwacha	0.882
Zimbabwe	Dollar	0.7143

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—Floating rate set daily by Central Bank of Egypt for importers, exporters, tourists.
(4) Argentina: June 22 Two Tier Policy Adopted. Commercial: Fixed by Central Bank of Imports and Exports.
(5) Argentina: Financial allowed a clean float. (6) Somali: Parallel exchange rates introduced July 1—for essential imports.
(7) Somali: Exports and Non-Essential imports and Transfers.
(8) Mauritius—devalued 20 per cent as of 28/9/81.

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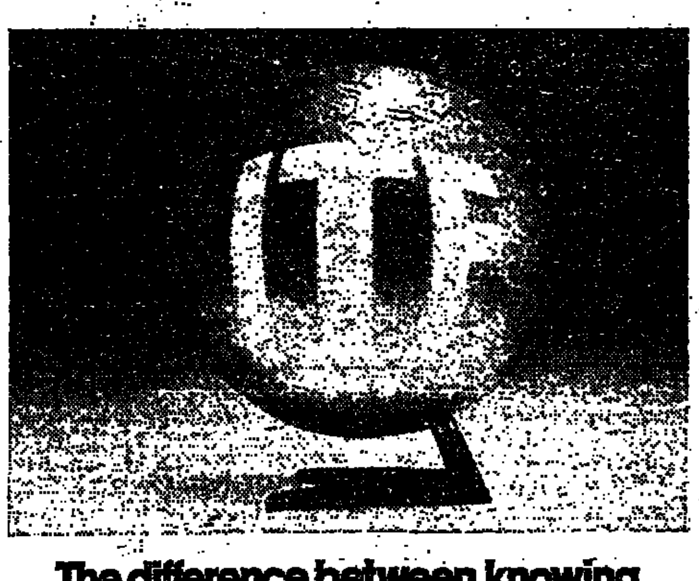

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The A.I.B.D. Bond Listings for September 1981 will be published in the Financial Times on Wednesday 14th October 1981

Dow climbing at midsession

STOCKS MOVED higher in moderate trading at midsession, recovering from earlier weakness, on news that Chase Manhattan Bank cut its prime rate to 18½ per cent from 19 per cent. While no other banks immediately followed Chase's action, analysts noted that the decline reinforced market expectations that interest rates may come down still further.

The Dow Jones industrial average was ahead 2.38 at 871.10, after being down nearly three points earlier, and advances led declines eight to five on volume of 34m shares.

The NYSE All Common Index was up 23 cents at $70.36.

Active RCA was off $1 at $18 after reporting a third-quarter loss.

Grumman added ⅞ at $36½. The company's pension fund trustees rejected LTV's tender offer at $45 a share as inadequate. LTV was unchanged at $17.

NCNB, the most active stock, edged up ⅛ to $14. A block of 1.2m shares traded at $13⅞.

Among other actives, American Telephone tacked on ¼ at $59⅞. Tandy gained ¾ at $32½ and Santa Fe International lost ¼ at $4⅞. Prime Computer rose 1¼ to $24¼.

THE AMERICAN SE Market Value index was 2.25 higher at 314.66 on volume of 2.47m shares (2.69m).

Heinicke Instruments gained ¾ at $12¼. It said its investment adviser believes Tyco Laboratories $13m-a-share offer is inadequate. On the NYSE, Tyco was unchanged at $23⅞.

Canada

Prices were continuing to edge upwards at midsession, helped mostly by Oil and Gas issues.

The Composite Index gained 8.8 to 1,947.5 on light volume of 1,666,331 shares. Gaining issues edged losers 176 to 133.

Analysts said the rise in the Oil and Gas index, up 44.7 to 3,785.4, was due mostly to renewed takeover speculation.

Among the other indices, Golds rose 36.0 to 3,720.4 and Pipelines 26.4 to 1,798.5. Real Estate and Construction fell 92.4 to 6,037.0.

Among the gainers, Dome Petroleum rose ⅛ to C$14⅛, Gulf Canada ⅛ to C$20¼ and Hudson's Bay Oil and Gas ⅝ to C$40¼.

The Royal Bank fell ¼ to $26¼ and Inco ⅜ to C$17⅞.

Germany

The cut in the Bundesbank's special Lombard rate from 12 to 11 per cent enlivened the last half-hour oft rading in share and bond markets. The Commerzbank Index closed 2.2 higher at 698.5.

Banks benefited after opening higher on speculation of such a move, and closed at their day's highs. Deutsche Bank put on DM 6.30 at DM 281.80 and Dresdner was DM 4.90 up at DM 139.40.

Interest rate-sensitive Stores also improved, with Karstadt up DM 8 at DM 217 and Kaufhof up DM 5 at DM 164.

Preussag jumped to a peak of DM 210, up DM 15.30, before settling back to DM 208.50 at the close. Dealers said speculation had resumed that new suitors for the 40 per cent stake held by Westdeutsche Landesbank have emerged.

Chemicals rose after an easier start, with Bayer up DM 1.50 at its close of DM 124.50, and BASF up the same amount at DM 141.50. BMW rose DM 9 to DM 189 in higher Motors.

Paris

Prices were firmer in quiet trading as demand picked up after Wednesday's cabinet meeting. Sentiment improved when market fears that the Government would impose controls on industrial products were not realised.

Most sectors gained except easier Chemicals and mixed Stores.

Michelin, fined $700,000 by the EEC Commission for alleged unfair trade practices in the Netherlands, gained FFr 7 at FFr 765, while BSN-Gervais-Danone added FFr 25 at FFr 1,100 after announcing higher first-half group net profit.

Cie Francaise de Raffinage, which announced a net loss in the first half, was unchanged at FFr 91.5 and Au Printemps in Stores, with higher first-half parent company profit, added FFr 1.5 at FFr 115.5.

Foreign stocks firmed, reflecting the market trend, with Oils showing the sharpest gains.

Tokyo

Share prices eased in quiet trading. The Nikkei Dow Jones index closed 23.37 down at 7,522.51 on volume of 320m shares. Declines led advances 341 to 232.

Blue Chips opened higher in response to the overnight rally on Wall St but turned mixed. Sentiment was dampeded by Canon's Y140 fall to Y1,130 after reporting sharply lower consolidated net earnings for the half year.

Steels and Electricals improved, however.

Motors, Precisions, Non-ferrous Metals and Shippings fell on scattered selling, with Honda Motor down Y20 at Y840, Minolta Y21 at Y689, Nippon Light Metal Y7 at Y151 and Mitsui OSK Y3 at Y205.

Heavy Electric Machines, Shipbuilders and many low-priced issues were mixed, but Steels gained with Kawasaki Steel up Y5 at Y203 and Sumitomo Metal Y8 at Y256.

The second market ended slightly lower.

Johannesburg

Shares recovered slightly during the day, after a mixed to easier opening, with Golds posting gains of up to R3.50.

Heavyweights, aided by a steady gold price, rose on local demand during the latter stages to leave Western Holdings R3.50 up at R80, Vaal Reefs R2 up at R93.50 and FS Geduld steady on R54.75. Lesser-priced issues suffered slightly more.

In other sectors, De Beers gained 5 cents at R8.75, SA Brews rose 12 cents to R4.90, and Lydenburg gained 5 cents to R4.65 after results.

Hong Kong

Stocks continued to recover in sympathy with the upturn in markets overseas, especially New York. The Hang Seng Index, up 66.06 on Wednesday, advanced a further 86.69 points to 1,266.52.

Brokers said sentiment had turned bullish as people felt the market had been oversold.

Property shares, which lost heavily recently, were well supported today. Cheung Kong finished HK$1.80 higher at HK$20.30 and Sun Hung Kai Properties HK$1.20 higher at HK$9.10.

Hong Kong Land rose 55 cents to HK$8.80 and Carrian Investment gained 90 cents at HK$7.80.

Leaders were the centre of activity among other shares. Hutchison Whampoa closed HK$1.30 higher at HK$15.40, while both Jardine Matheson and Swire "A" rose HK$1 to end at HK$14.20 and HK$13.00 respectively.

Hong Kong Bank rose to HK$13.60, gaining 50 cents, and China Light was 70 cents higher at HK$10.60.

Australia

Oil explorers and Gold miners improved in quiet trading in the aftermath of President Sadat's death.

Central Norseman jumped 10 cents to A$8.30 in early trading and closed with buyers on the board at A$8.40. Gold Mines of Kalgoorlie firmed 10 cents to A$8.20 and MIM rose 3 cents to A$3.88, while North Kalgoorlie held steady at A$1.25.

Singapore

Markets were closed yesterday.

Closing North American prices were not available for this edition.

CANADA

Stock	Oct. 7	Oct. 6
AMCA Intl.	21½	21¼
Abitibi	20	21
Agnico Eagle	10⅝	11
Alcan Alumin	29½	29⅜
Algoma Steel	43	41¾
Asbestos	40½	40
Bk. Montreal	26	26
Bk. Nova Scotia	25½	25¾
Basic Resources	7.00	6.75
Bell Canada	17	17⅛
Bow Valley	16⅜	15⅝
BP Canada	37½	36⅞
Brascan A	25¾	25¾
Brinco	6¼	6⅛
B. C. Forest	13½	13¼
CadillacFairview	11⅞	12
Camflo Mines	22⅝	23½
Can Cement	12¼	12¼
Can NW Lands	30⅛	31
Can Packers	30	30
Can Trusco	26½	26½
Can Imp Bank	26¾	26⅞
Cdn Inds	30	30¾
Cdn Pacific	43	43¼
Can P. Ent	19⅝	19½
Cdn Tire	29¾	30
Cherokee Res	6.50	6.50
Chieftain	19¼	19¼
Cominco	55	54¾
Cons Bathst A	20¾	20¾
Coseka Res	13½	13¼
Costain	9¾	9¾
Daon Devel	5⅞	5¾
Denison Mines	31¼	32¼
Dome Mines	24¼	25
Dome Petroleum	14⅛	14½
Dom Foundries A	42⅛	42
Dom Stores	15½	15½
Domtar	23⅞	24
FalconNickel	78	78
Genstar	22	22
Gt.-West Life	2.45	2.45
Gulf Canada	20¼	20⅛
Gulfstream Res	6.50	6.50
Hawk Sid. Can	11	11½
Hollinger Argus	30	30
Hudson Bay Mng	23¾	23¾
Hudson's Bay	21½	21⅛
do. Oil & Gas	40¼	39⅝
Husky Oil	12½	12¼
JAC	7⅛	7¼
Imasco	34	34
Imp Oil A	27⅛	27⅛
Inco	18⅛	17¾
Indal	13½	13¼
Inter. Pipe	13⅝	13½
Mac Bloedel	26¾	27¼
Marks & Spencer	9¾	9½
Massey Ferg	2.80	2.75
McIntyre Mines	42	42
Merland Explor	10	9⅞
Mitel Corp	32¾	31½
Moore Corp	36⅝	36⅝
Nat. Sea Prods A	8½	8½
Noranda Mines	24½	24½
Nthn. Telecom	49⅝	48¼
Oakwood Pet	18¼	18½
Pacific Copper	2.65	2.65
Pan can Petrol	76	76
Patino	8¾	8¾
Placer Dev	17¼	17
Power Corp	17⅛	17¼
Quebec Strgn	3.15	3.35
Ranger Oil	11⅞	11⅝
Reed Stenhs A	11	11
Rio Algom	34	34
Royal Bank	26¼	26½
RoyalTrustco A	15	15½
Sceptre Res	11	10⅝
Seagram	60	60
Shell can Oil	20¾	20¾
Steel of Can A	34	33¾
Teck B	13¼	12¾
Texaco Canada	32½	31¼
Thomson News A	19⅛	19¼
Toronto Dom Bk.	27¾	27¾
TransCan Pipe	19⅝	19⅞
Trans Mntn. Oil A	8⅞	8¾
Utd. Sisco Mines	9	9
Walker (H) Res	23⅜	23⅜
Warrior Res.	2.00	2.00
Westcoat Trans	10⅞	10¾
Weston (Geo)	32½	32½

Indices

NEW YORK

	Oct. 2	Sept. 25	Sept. 18	Year ago (approx)
Ind. div. yield %	6.34	6.68	6.58	5.66

STANDARD AND POORS

	Oct. 7	Oct. 6	Oct. 5	Oct. 2	Oct. 1	Sept. 30	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	135.81	133.72	133.85	133.27	131.17	130.04	157.62 (6/7)	128.49 (24/9)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	121.31	119.39	118.61	119.36	117.08	116.18	138.12 (6/1)	115.81 (24/9)	140.52 (28/11/80)	4.40 (1/6/32)

	Sept. 30	Sept. 23	Sept. 16	Year ago (approx)
Ind. div. yield %	5.50	5.52	5.36	4.58
Ind. P/E Ratio	7.94	7.90	8.15	8.82
Long Gov. Bond yield	15.08	14.30	14.15	11.79

NY. S.E. ALL COMMON

Oct. 7	Oct. 6	Oct. 5	Oct. 2	1981 High	1981 Low
70.13	69.03	69.00	68.86	79.14 (6/1)	64.96 (25/9)

Rises and Falls	Oct. 7	Oct. 6	Oct. 5
Issues Traded	1,875	1,842	1,905
Rises	1,153	659	1,029
Falls	366	786	531
Unchanged	356	397	376
New Highs	—	—	13
New Lows	—	—	35

MONTREAL

	Oct. 7	Oct. 6	Oct. 5	Oct. 2	1981 High	1981 Low
Industrials	330.36	328.82	338.49	330.95	408.56 (27/5)	310.21 (25/9)
Combined	310.24	309.45	310.93	310.58	375.28 (15/6)	295.97 (25/9)
TORONTO Composite	1955.7	1935.68	1944.81	1938.7	2578.8 (10/4)	1812.48 (25/9)

FINANCIAL TIMES SURVEY

Friday October 9 1981

AIRPORTS

During the next 20 years many new international airports are likely to be built, especially in the Third World, and many existing airports will be modernised to cope with the anticipated expansion of world civil air transport. These developments will be studied at the International Civil Airports Association's 21st Congress in Manchester from October 13 to 16, in conjunction with the exhibition "Airport 81", devoted to airport construction.

Daunting problems in next 20 years

By Michael Donne
Aerospace Correspondent

ALTHOUGH THE business recession has temporarily slowed the growth of air passenger and cargo traffic in many parts of the world, with consequent reductions in new orders for aircraft, there is one area where activity has never been higher—the construction of airports.

It has been estimated that up to the end of the century, about £50bn will be spent throughout the world on what may be broadly termed "the airports industry."

This covers not only the building of new facilities but also the modernisation and expansion of many existing airports to enable them to handle the renewed growth in air travel that is confidently forecast by many in the industry.

Precisely when this resurgence will occur is difficult to gauge. In some parts of the world, such as the Far East and in South-East Asia, the recession appears to have had little real impact on air travel.

But most analysts believe that by the mid-1980s air travel will again be expanding, although it may be at a lower annual rate, say about 5 to 7 per cent, than the 10 to 12 per cent experienced during the 1970s.

It is to be able to meet this increase that many airport authorities throughout the world are now planning for improvements to their existing airports or for building new ones. It is widely accepted that now is the right time to start the necessarily lengthy planning and construction to ensure that a particularly country or city is *not short of capacity* when the expansion ultimately occurs.

This is especially true of Britain. The British Airports Authority is already involved in the Public Planning Inquiry for the expansion of Stansted as the Third Airport for London, whilst building Terminal Four at Heathrow, and waiting for a Government decision on a second major terminal at Gatwick.

Manchester International Airport is having its main runway lengthened. Throughout the country the story is the same, one of substantial investment into runway and terminal building improvements, and the provision of facilities such as new car parks, catering buildings, administration blocks, fuel farms and other units.

Overseas, many countries in the Third World have grown to appreciate that air transport is one of the mainsprings of economic growth. There has therefore been a remarkable expansion in the number and strength of airline activities in the Middle East, Africa, South-East Asia, South America and the Far East.

Along with these have come increased investments in and plans for new airports of all kinds to provide for the growth in traffic.

It is not that the world is currently short of civil airports. What it is relatively short of, and will be even more short of as traffic expands, is enough airports built and equipped to the highest possible standards for scheduled international operations.

There is also at some ostensibly "major" international airports a severe shortage of adequate passenger and cargo *facilities — Heathrow is now* almost at saturation point, and Terminal Four, now being built, is urgently needed for the period 1985-90.

Capacity

Yet another problem at many major airports is a severe shortage of runway capacity, with existing runways either too short to take the biggest and heaviest airliners, or too few runways.

This is one of the most controversial aspects of Gatwick Airport development. Many airlines believe that the British Airports Authority is wrong in insisting that it can expand Gatwick to a capacity of 25m passengers a year with only one main runway.

Whatever the merits of that particular argument, however, there is no doubt that throughout the world the opportunities to design, develop, equip, and operate new airports are already substantial and are likely to grow during the 1980s and beyond.

The International Civil Aviation Organisation (ICAO)—the aviation technical agency of the United Nations—lists 32,835 civil "aerodromes" throughout the world in its 160-plus member-States; but 17,089 of these are listed for private use only (many of them probably little more than rough airstrips for general aviation purposes). Of the remainder, 490 are heliports and 511 are seaplane bases.

Of the 14,745 land airports, only 1,025 were listed as suitable for regular international operations at the end of 1980, with another 23 such major airports either planned or already under construction.

This compares with about 930 such airports at the end of 1972, so that over the past decade, nearly 100 major new international airports have been brought into use to serve an expanding air transport community whose annual scheduled passenger traffic in that period has risen from 450m to 734m.

If, as generally expected, world scheduled passenger traffic doubles throughout the 1980s, it seems probable that at

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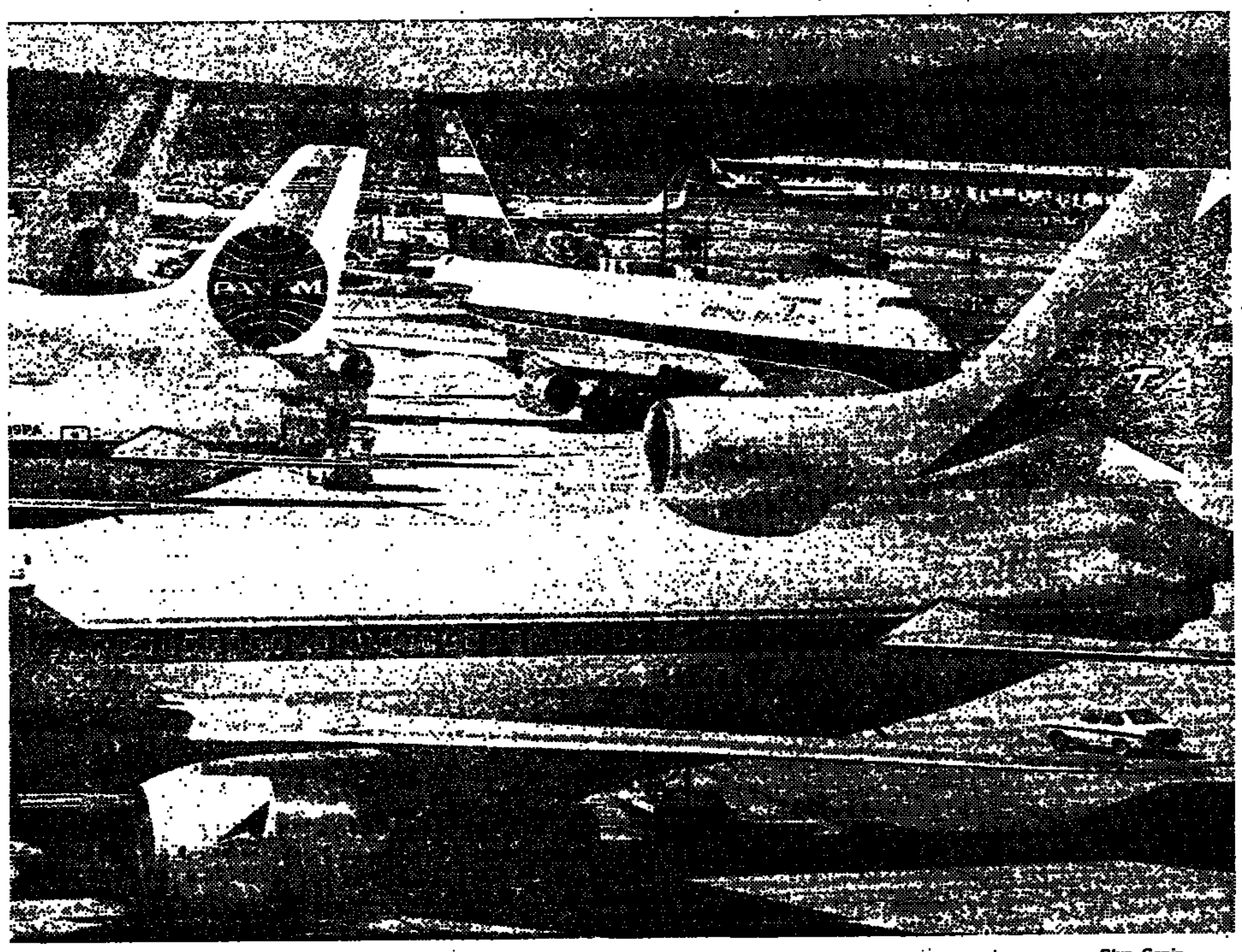
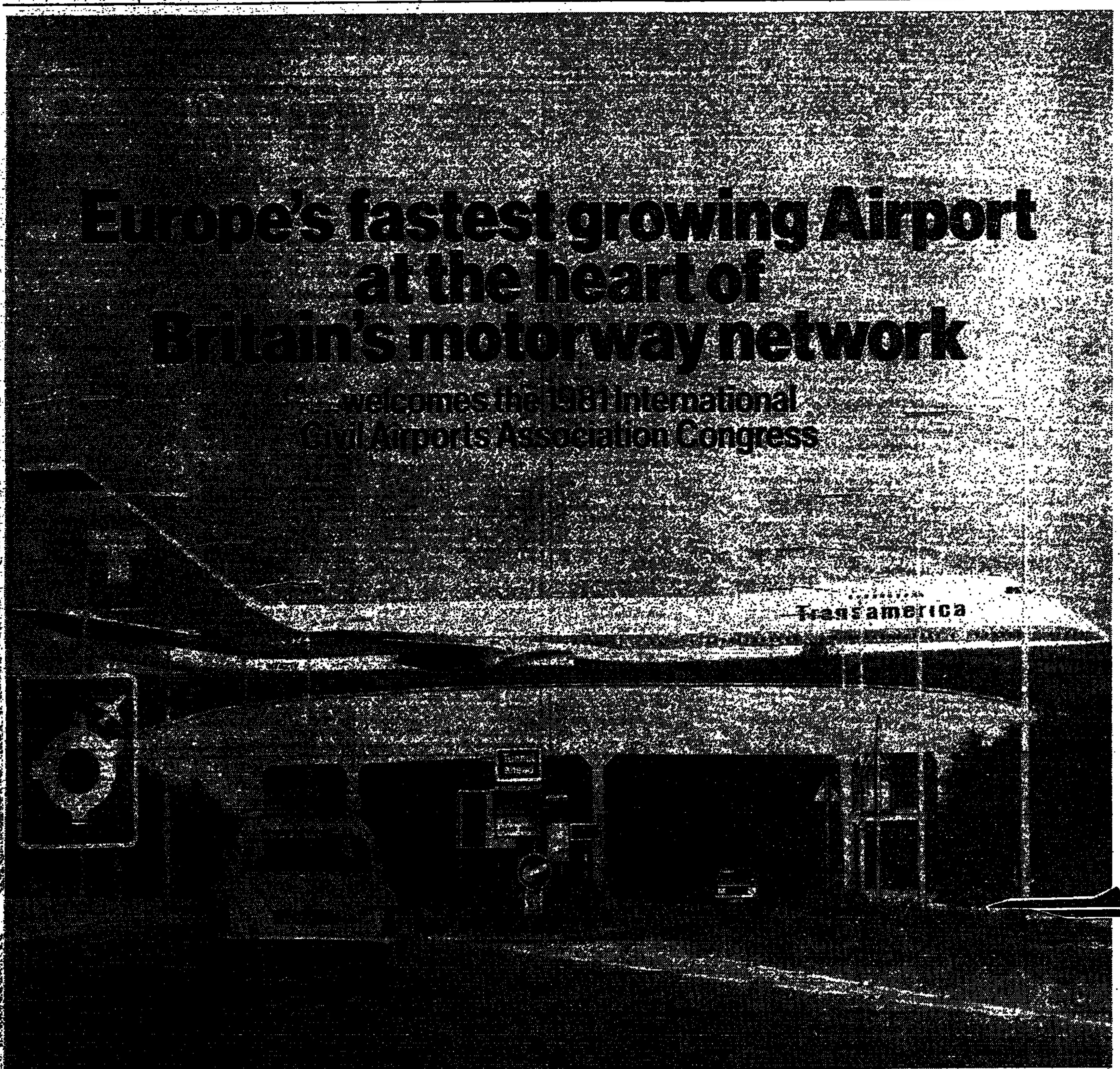


Glyn Genin

Most analysts believe that by the mid-1980s air travel will again be expanding by between 5 and 7 per cent a year. Above: Wide-bodied jets of Delta, Cathay Pacific, Pan Am and Garuda Indonesian Airlines at Britain's Gatwick Airport which now handles 121 airlines



This is where the airways of the world meet the motorways serving 20 million people and 50% of British industry.

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MANCHESTER INTERNATIONAL AIRPORT

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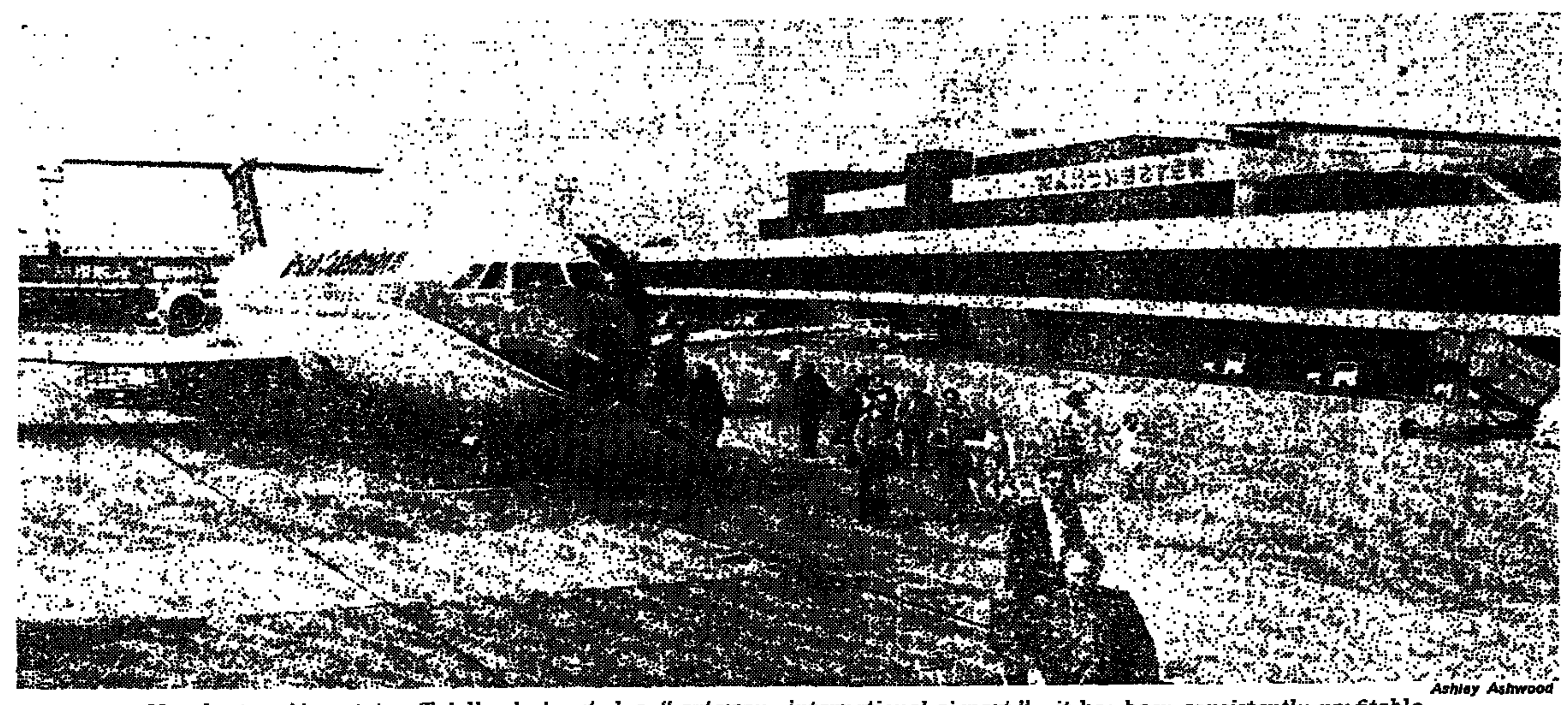
AIRPORTS II



Manchester Airport is officially designated a "gateway international airport"—it has been consistently profitable and has been self-financi ng throughout its history

Ashley Ashwood

Market role clearly defined

UK REGIONAL AIRPORTS

ANNE REDMILE

IT IS significant that last year, which has been described as one of the worst years in aviation history, nearly 50 per cent of the UK's major regional airports showed a profit.

The most recent White Paper on civil aviation confirmed the role of the major regional airports. It separated them into categories to define their activities more precisely and give them guidelines for future development.

A major regional airport can usefully serve to its surrounding area in four ways, depending, of course, on airlines and aviation companies being willing and able to provide the services.

It can offer air links with the two London airports—Heathrow and Gatwick—to enable travellers to change to long-distance flights; direct air links with other parts of the UK, thus saving much time; services to key Continental destinations—for example, Amsterdam—thus offering "interline" facilities from these cities to other destinations; and air freight services from the "home" airport.

If a regional airport is to survive and provide all these services, it will depend on airlines such as Air UK and on passengers making use of the services offered.

Air UK has built its success on providing local links and serving regional airports. It serves Amsterdam, for example, from six UK regional airports—Aberdeen, Edinburgh, Leeds-Bradford, Norwich, Southampton and Humberside.

According to research carried out by the airline, about 200,000 people used these services last year. Of that number, 35 to 40 per cent "interlined" on to other destinations.

Manchester Airport is officially designated a "gateway international airport," but unlike the two London airports in this category—Heathrow and Gatwick, both owned and operated by the British Airports Authority—it is owned and administered by an airport authority which is a joint committee of the Greater Manchester County and the City of Manchester councils.

It has been consistently profitable and apart from a £3.75m central Government grant towards the present terminal building the airport has been self-financing throughout its history.

Manchester has a successful mixture of traffic—scheduled and charter flights are operated as well as all-freight services. Plans have already been announced for new Olympic Airways services to Athens by way of Brussels. Tunis Air will start with charter flights but has plans for scheduled services, while Iberia will be offering new services from Manchester to Madrid and Malaga.

Last year work on re-surfacing and widening the runway was completed and the throughput of passengers was more than 4m. Also last year, Manchester was able to claim proudly to be the first airport to achieve the stringent new runway lighting standards laid down by the international aviation organisation ICAO for bad-weather landings.

There is a good deal of local pride in the success of Manchester as a major airport. In the introduction to a recent publication about the airport and its services, it was stated that: "Our catchment area might be considered as all of Britain when you consider the quality of our surface connections — the motorway runs right into the airport terminal and main-line railways are only a few miles away.

"But our special region is the North of England. We operate as the 'North Country's Gateway to the World,' from north of Birmingham to the Border and both sides of the Pennines from the Irish Sea to the North Sea."

The continued growth of airports like Manchester and its southern counterparts still leaves room for the smaller regional airports. however. As major airports become larger and usually more congested the appeal to many people of a smaller airport, nearer home and offering a less stressful way of travelling, becomes greater.

This view is supplied by Mr Eric Dyer, the director of East Midlands Airport, which serves Derby, Nottingham, Leicester and their surrounding areas.

"Regional airports have an extremely important role to play in the future of the air transport industry," he says. "During the past three years the traffic handled within the UK by regional airports has increased by 1.5 per cent when compared with the London airports.

"East Midlands Airport's passenger traffic trebled during the decade 1970-80 and this rate of growth is expected to continue over the next 10 years. The airport authority was recently advised that only 27 per cent of travellers within its catchment area are currently using their local airport.

"Regional airports have scope for much utilisation. They exist to serve the needs of the communities in which they are located and assist them in the promotion of trade and tourism."

In Scotland the British Airports Authority owns and operates four key airports—Aberdeen, Edinburgh, Glasgow and Prestwick—and is expected to make them break even. Apart from Aberdeen, they reported a fall in traffic last year.

The BAA says it is confident that with expert management and the right type of operation all the Scottish airports can and will break even financially.

A BAA spokesman said recently that it expected that the Atlantic route recently abandoned by British Airways—Prestwick to New York—would be taken over by another carrier—Laker has already made a bid for this route and that from Prestwick to Toronto.

The key to the success of a regional airport he summed up thus: "It is not how an airport looks or what it has to offer but whether enough people want to fly from it and whether it is economically viable for airlines to use it and fly the available routes."

Renewal work on runways has been carried out at Glasgow, Edinburgh and Prestwick, while additional cargo space has been introduced at Prestwick and alterations carried out inside the terminal. Aberdeen has a new aircraft apron and taxiways.

Birmingham Airport, which serves one of the largest conurbations in the UK, has an annual throughput of over 1.5m passengers. As the demand has grown, the airport has expanded its facilities accordingly and the establishment of the National Exhibition Centre nearby has given it an added incentive to develop.

Airports like Birmingham were pleased that the White Paper clearly defined their role. Mr Bob Taylor, the airport director, has expressed his support for that role: "The local authority and the airlines completely support this clearly defined market role and see no immediate need for a long runway at Birmingham. Although it would compete with Heathrow and Manchester to some extent it would not necessarily be a realistic base for longer flights.

"Airlines exist to serve travel needs and insufficient passengers mean insufficient revenue. The same applies to airports, where capital expenditure has to be paid for by landing charges, passenger taxes, car park fees, catering, and duty-free sales, etc."

This sums up the complexity of the task now facing the management of any airport, and most especially a regional airport where market needs have to be studied closely.

Although Birmingham is not far from London by rail and the M1, and has feeder services to both Gatwick and London, it has regular services to key European destinations. Many passengers find connections from some of these airports easier than going via London.

The opening of the National Exhibition Centre near the airport has meant that an increasing number of visitors to the exhibition now arrive by air.

Birmingham Airport is facing the future with optimism. It is at the heart of the motorway network and will soon be linked directly to British Rail by MAGLEV—a new rapid transit system.

About 1.75m passengers are expected to pass through it this year and it is predicted that some 3m will be flying to or from Birmingham by 1990. This figure has been used as a design base for the new terminal.

The same optimism is to be found at many other regional airports. Professional management and marketing skills will be needed in the years ahead to ensure that they continue to play an important role in the country's transport system.

Daunting problems ahead

CONTINUED FROM PREVIOUS PAGE

least another 100 or so major international airports will become necessary—either to replace existing inadequate airports or to handle increased traffic.

Since a new airport now can cost up to £500m (and there are cases of new airports costing even more, such as those at Riyadh and Jeddah in Saudi Arabia), it is not difficult to see how the £50bn figure is arrived at—especially if the multifarious items of necessary equipment are taken into account.

The 1,025 international airports listed, together with the 23 planned or under construction, between them have only 1,674 runways. Most of them are single-runway airports and in many places the runways vary in length.

There would seem to be a major need at many airports for runway improvements, especially lengthening them to enable them to accommodate more and bigger aircraft and thus more passengers.

The opportunities are therefore boundless. There is hardly an airport anywhere in the world that cannot benefit from some additional investment. Indeed, it is almost impossible to find a major airport where some form of construction for modernisation or expansion is not going on.

But at the same time every regular air traveller knows only too well that there are some airports—especially in the Third World—that are totally inadequate for the traffic using them. They could benefit not only from physical improvement but also from more alert, dynamic and efficient management.

The ICAO itself works hard to ensure that adequate technical and safety standards are laid down for airport construction and operation. But it is not always possible for the organisation itself to monitor what is done, even if it had the legal right to do so.

It can only work by example, for although it has limited funds to spend on technical assistance they do not run to financing the construction of airports costing several hundred million pounds.

One result is tha there have emerged over recent years many international airport consultants, some of them directly linked to major airport authorities in the U.S. or Western Europe.

These consultants have already won and seem likely to continue to win, substantial business in advising overseas countries on how to design, construct and operate their airports.

The British Airports Authority has set up British Airports International in conjunction with International Aeradio to undertake such a task, while such major European airport authorities as those at Paris, Amsterdam (Schiphol) and Frankfurt are also in this highly competitive business.

Many major industrial companies also are involved in this business. Some of them are grouped in consortia capable of undertaking the task of constructing a new airport from initial site selection to design, civil engineering, installation of equipment and initial operation.

The business of building, equipping and running airports is therefore fiercely competitive and likely to become more so. Contracts for new airports costing several hundred million pounds and taking several years to complete are major prizes. Bidding for them often involves more than a score of companies or airport consultancy organisations and the winners in each case can expect substantial rewards.

At this stage most aviation observers stop short of suggesting what is likely to happen after the year 2000. The problems of trying to meet the needs of the next 20 years are daunting enough.

But it would be unwist to suggest that there will not be furthe rexpansion in civil aviation throughout the world and it is probable that the money now being spent on airports and their equipment is but a small fraction of what will be spent as far ahead as anyone can see.

Hamech Ransomes tractors from Staines, Middlesex, are widely used by airlines around the world. The company's electric vehicles will be featured at the Airport '81 exhibition

THE WORLD'S TOP TEN AIRPORTS

	Passengers 1980 (m)	Freight and mail (tonnes)	Number of aircraft movements
Chicago	43.65	749,177	724,155
Atlanta	40.18	460,245	612,525
Los Angeles	33.04	890,049	523,961
Heathrow (London)	27.47	531,500	294,600
Kennedy (New York)	26.79	1,179,581	307,527
San Francisco	22.25	421,395	359,146
Dallas/Fort Worth	21.95	279,966	463,447
Denver	20.85	172,149	486,888
Miami	20.50	569,068	368,563
La Guardia (New York)	17.46	74,618	316,811

Source: Airport Operators' Council International.

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With more than 90 air traffic control systems, utilizing 175 radars in 24 countries throughout the world, Selenia can reasonably claim to be the European leader in the Air Traffic Control business.

The fully comprehensive product range covers third generation adaptive primary radar systems, all solid state secondary radars, data extraction and narrow band transmission systems, as well as ATC display systems, using in-house minicomputer designs.

Selenia was pre-emptive in the introduction of system based on distributed intelligence, making full use of modern microprocessors and the company's own minicomputers where intelligence is desirable.

This approach dramatically reduces system complexity.

A typical example of these benefits is to be found in the adaptive airfield surveillance radar, the ATCR-33.

This radar is able to probe its surroundings and intelligently adapts itself to optimally process the radar signals, thereby achieving good aircraft detection without cluttering the radar picture with false signals.

Sales of more than 40 systems confirm that the radar is recognised throughout the world as the radar solution of the 80s.

Selenia tracking radars are the prime sensor for the Ferranti WSA 4 weapon system fitted in the Type 21 frigates and have been in frontline service with the Royal Navy for several years.

As a consequence of the success of this and other projects it is only natural that the relationship between the two companies should develop. Negotiations have therefore recently been finalised to license the manufacture of the ATCR-33 in the United Kingdom by the Scottish group of Ferranti Ltd. At a time when the United Kingdom is reviewing the replacement of the existing chain of military airfield surveillance radars, a British-built ATCR-33 must be considered a contender for this programme.

Selenia profile

Selenia has been active in the field of professional electronics for more than 30 years, designing and producing equipment and systems at a high professional level for civil and military applications in widely differing fields.

The Company's share capital is wholly Italian and predominantly public owned by the STET Group, the IRI Group and Aeritalia. Selenia is therefore an all-Italian Company that utilizes Italian capital and human resources, and exports products that are made in Italy.

Research and development represent heavy investments, equal to about 27% of the production (7% at Company's expense and 20% under contract). Amongst Selenia's research activities in the civil field, major studies are in progress on air traffic control systems, data display equipment, and secondary radar units.

In the defence field, together with missile support activities and the development of defence systems, research is being carried out on electronic warfare technologies and studies of electronic scanning antennas for integration in advanced defence systems.

The continuing drive to find alternative markets abroad and the optimistic forecast for world demand have enabled Selenia to acquire important contracts recently, 70% of which are overseas.

These important results, achieved through heavy financial and commercial investments, are particularly noteworthy when one considers the extremely competitive international markets in which Selenia operates.

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Initially, Selenia produced single items of equipment but over the years the Company has moved strongly into the field of providing complete systems.

In the systems field, Selenia collaborates with other companies such as Elsag for naval systems, Contraves Italiana for defence systems and with Aeritalia for aeronautic and space programmes.

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- naval defence systems
- special systems
- air traffic control systems
- informatics and telecommunication systems
- space activities.

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The Painless Alternative

Amsterdam Airport Schiphol

Much argument still to be heard over Stansted

HOPES THAT at last there may be a final resolution of the long-running saga of what to do about future airport capacity for London and the South-East of England have been raised by the recent start of yet another major Public Inquiry into this controversial issue.

It is a subject that has dominated UK civil airport policy for more than 20 years. In that period people living round Stansted, Essex, have fought no fewer than three times against plans to develop the existing airport there.

In the same period there has been the decision to develop an airport on land reclaimed from the sea at Maplin off the Essex coast—a decision subsequently cancelled by the Labour Government in 1974—together with decisions to develop a fourth terminal at Heathrow to lift that airport's capacity from 30m to 38m passengers a year (on which work is now in progress).

There are also plans (yet to be approved) to develop a second major terminal at Gatwick to raise that airport's capacity from 16m to 25m passengers a year.

Behind all of the traumas, decisions and changes of mind by successive governments over

LONDON AND THE SOUTH EAST

MICHAEL DONNE

the past 20 years lies the steady growth of air traffic into and out of London and the south-east.

Despite the occasional recession the overall trend in traffic has been upwards, and forecasts generally have been overtaken by events.

Although air traffic is now once again depressed by the recession, few in the air transport industry doubt that this is a temporary lull and that by 1985 or so traffic will be rising sharply again, causing the familiar problems of congestion at existing airports through shortage of capacity.

The Public Planning Inquiry, which began on September 29, stems from the attempt by the British Airports Authority to cut the Gordian Knot once and for all and to realise the development of Stansted as London's third airport—initially from the present 1m to 15m passengers a year but with provision for possible further eventual development, with a second runway, to as many as 50m passengers a year if necessary.

Assuming that the initial Stansted development to 15m passengers a year were to be allowed, together with the 38m passengers a year at Heathrow (after Terminal Four is completed), and the 25m at Gatwick (provided the Terminal Two is permitted there), the BAA believes it will have available capacity of 78m passengers a year at its own airports and nearly 82m if the capacity of 3.5m to 4m available at Luton is added.

This will be enough to cope with the current forecast of about 70.2m passengers a year by 1990. But if the forecasts prove correct, and traffic increases to some 87.2m a year by 1995, it seems clear that even Stansted developed to 15m will not be enough and that the further development beyond that point will become necessary, although on a progressive basis.

The full development to some 50m passengers a year would probably be undertaken only slowly, according to demand. The full 50m might not be reached until the end of the century, if then.

The BAA already knows (and the early days of the Public Inquiry have confirmed it) that it is in for a tough fight, with many environmental and other groups in the Stansted area bitterly contesting its plans.

But it has perhaps an even more *formidable* opponent in the shape of the leading national carrier, British Airways.

British Airways has stated bluntly that it does not approve of the development of Stansted. It wants to see the development of a fifth major terminal at Heathrow on the site of the existing sewage works at Perry Oaks at the western end of the airport.

Although British Airways is publicly "flying the flag" alone at the Public Inquiry, it knows that it has the tacit support of many of the other 70 or more airlines which use Heathrow. None of them really wants to move to Stansted, now or at any time in the future.

British Airways' opposition to Stansted and its wish to see a fifth major terminal built at Heathrow are based on the fact that using Stansted would add between £130m and £190m to its annual operating costs, quite apart from the much greater expense of developing Stansted.

Its forecasts of passenger traffic growth in the London area up to the year 2000 are lower than those of the Airports Authority.

BA sees passenger traffic growing from the 39.7m of 1980 to 48.2m by 1985, to 59.6m by *1990, 73.4m by 1995 and 91m* by 2000, representing an average annual growth of about 4.3 per cent.

These estimates compare with the Airports Authority's figures of 53.2m by 1985, 70.2m by 1990 and 87.2m by 1995.

Mr Roy Watts, chief executive of British Airways, says the airline's case is simple. At the public inquiry it will argue that to embark on the development of a third major airport at Stansted—32 miles from central London—at this time would be wrong.

"It *would* involve the unnecessary expenditure of hundreds of millions of pounds of taxpayers' money and a crippling increase in airlines' costs, which in turn would react against the industry's efforts to bring costs and fares down," he says.

"Instead we propose that a fifth passenger terminal be built at Heathrow to accommodate the expected passenger traffic growth without increasing the noise disturbance to Heathrow's neighbours or exceeding the maximum number of flights permitted by the Government (275,000 a year into and out of Heathrow).

"Despite the scepticism expressed by many people, genuinely worried about a possible increase in noise, there is nothing magical about the British Airways' proposal. The key lies in encouraging the increased use of bigger, quieter and more economical jets by providing adequate facilities for both aircraft and passenger handling," declares Mr Watts.

British Airways also suggests that the cost of developing a fifth terminal at Heathrow would amout to only about £324m at 1979 prices, compared with £869m for developing Stanstead (see table at foot of page).

There are also other proposals. The Public Inquiry will be looking at the possible revival of the idea to site a new airport on reclaimed land at Maplin, off the coast. It is possible that during the course of the inquiry other solutions to the problem will be mooted, such as much greater use of regional airports throughout the country or even the selection of other "greenfield" sites for the airport.

What is already clear is that the Public Inquiry is likely to last for many months—some suggestions have put it as long as a year—and that it may be at least another year before the Inspector, Mr Graham Eyre, QC, has completed his report and the Government of the day has studied it and come to a decision.

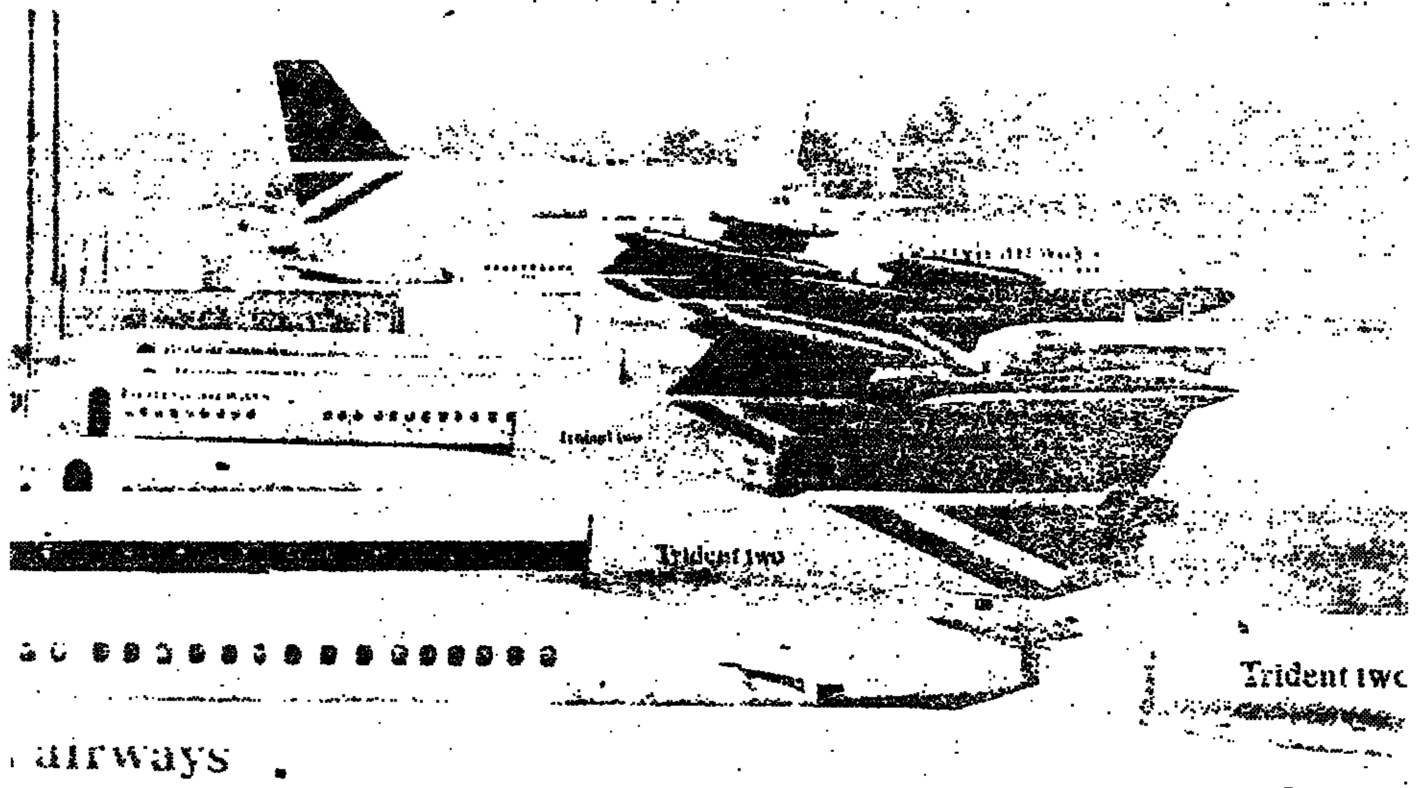
Thus the political decision that will settle the matter—for it is only on the political level that it will ever be finally settled—is not likely until some time in 1983.

What worries some people in civil aviation is that by 1983 the country will be drawing closer to a General Election, with politicians reluctant to take decisions likely to be unpopular.

There is also the danger that an unpopular decision (which is what any decision to allow the development of Stansted would be) might be overturned by an incoming Government with new ideas on what ought to be done.

Although hopes may now be high that the long airport dispute in London and the South-East could at last be on the verge of settlement, it would be as well not to bank on it.

There is still much work to be done and much argument to be heard for and against Stansted—and the other available options—before Britain's civil aviation industry can really be sure that the Government is preparing realistically for the expansion that the next century is likely to bring.



Roger Taylor

British Airways has suggested that the cost of developing a fifth terminal at Heathrow (above) would amount to only about £324m at 1979 prices, compared with £869m for developing an existing airport at Stansted, Essex

DEPARTMENT OF TRADE FORECASTS

Passengers a year (m): Estimates prepared by the Air Traffic Forecasting Working Party.

	1979	1985		1990		1995		2000	
	base year	Low	High	Low	High	Low	High	Low	High
London area airports	39.2	44.5	50.9	52.6	70.3	59.7	89.3	67.9	110.9
Regional airports	17.4	19.2	21.9	21.8	29.4	24.4	36.9	27.4	45.5
UK total	56.6	63.7	72.8	74.5	99.7	84.1	126.2	95.3	156.4

PASSENGER TRAFFIC FORECASTS

London and South-East area: millions of passengers per year

	1980 (actual)	1985	1990	1995
British Airports Authority	39.4*	53.2	70.2	87.2
British Airways	39.7	48.2	59.6	73.4

* BAA's figures exclude the Heathrow-Gatwick helicopter link.

People living near Stansted, Essex (above), have fought no fewer than three proposals to develop the existing airport in the last 20 years

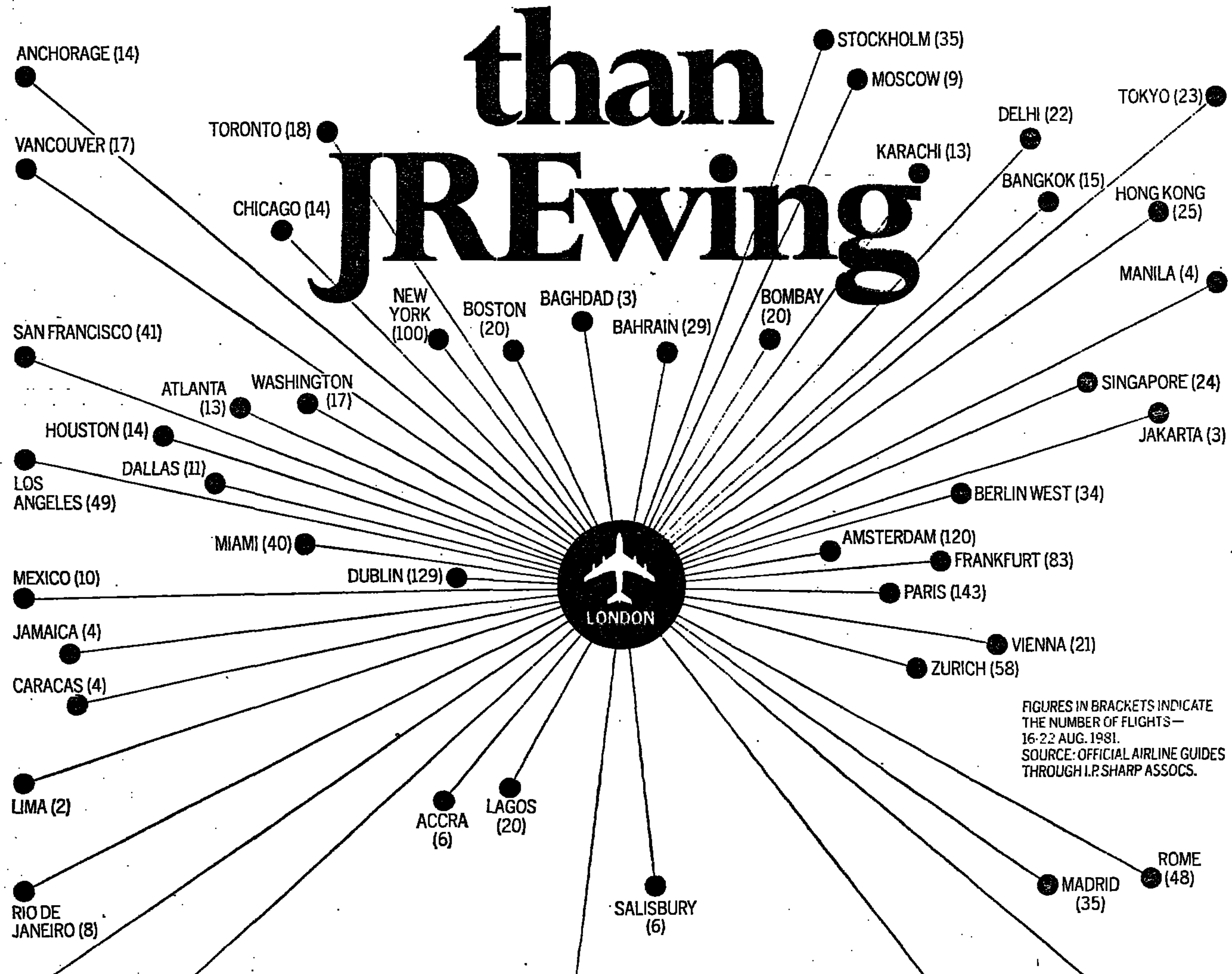
THE COST OF LONDON'S NEW AIRPORT

In £m at 1979 prices*

	Stansted	Heathrow Perry Oaks Terminal 5
Site acquisition and preparation	40	50
Construction	245	245
Road access	15	10
Rail access	119	—
Underground extension	—	19
New housing, general infrastructure	450	—
Total	869	324
Extra annual operating costs for British Airways	130-190	—

* These statistics have been prepared by British Airways, but are not accepted by the British Airports Authority.

More connections than JREwing



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British Airports

Heathrow Gatwick

A contribution to development

THE DEVELOPMENT of airports in other countries, especially those in the Third World, has assumed growing importance in recent years as the developing nations have recognised the vital help air transport can give to economies searching for growth and new markets for their products.

Airports in the Third World have also been built or are being planned for other reasons, including prestige. In particular the speed and accessibility of air transport has given governments the opportunity to improve communications inside their own borders, breaking down regional isolation and differences and opening up the full potential of a nation's resources.

New airports also provide the vital facilities for airlines bearing the flags of the often newly *independent emergent nations*. The development of the airlines and the airports has often gone hand in hand, but not without the rationale of the development being questioned.

A two-year study by the International Civil Aviation Organisation (CAO) under the sponsorship of the UN Development Programme, four years ago looked at the contribution civil aviation could make to the development of the economies *of African states. The UN project* followed a request from the African Civil Aviation Commission.

The commission implicitly raised the question of whether the growth of airlines in emergent African nations was "merely a manifestation of national desires to show the flag, or was it a rational step in economic development?"

The study concluded that air freight was under-used as a tool for African economic development. The ICAO showed that relatively little trade by air took place between African states, although opportunities existed for an exchange of local products which were often imported *from other continents*.

In addition, the air freight capacity available from Africa to Europe and the Americas was far from being filled with African exports. Nevertheless, known markets existed for many commodities. Tourism was also identified as a potential growth area.

The rapid expansion of international airports in the Third World in recent years and the plans for further expansion in the near future suggest that many of the lessons of the ICAO study have been absorbed by African states, which appear to have accepted the conclusion of the study that aviation-orientated schemes could produce new jobs and raise revenues and foreign exchange earnings.

South of the Sahara, principal hub airports have been developed at Dakar, Abidjan, Lagos, Khartoum, Addis Ababa, Kinshasa, Luanda, Lusaka, Johannesburg, Maputo, Tananarive, Mauritius, Reunion and Dar-es-Salaam. Many smaller airports exist as feeder sources for the hub centres and many smaller landing strips exist throughout Africa with potential for growth into larger airports. Nigeria is planning an airport at its new capital of Abuja.

Elsewhere in the developing and the developed world almost 30 projects are currently under way for modernising existing airports or building new ones

AIRPORTS ABROAD

LYNTON McLAIN

either to replace established air ports which have been outrun by advanced technology or by rapidly rising passenger demand.

Some of the greatest activity in the development of new airports is currently taking place in South-East Asia. Here at least 12 new airports are either planned or under way. The centres of the expansion are Malaysia and Indonesia — with *Singapore already the proud* possessor of a large new £350m airport at Changi.

Changi Airport is the latest international airport in South-East Asia. It can handle 5,000 passengers an hour at peak periods, or 10m a year. The airport opened to air traffic on July 1 this year.

A 20 km expressway, the East *Coast Parkway, links Changi to* the city in a journey of about 25 minutes. A second, the Pan Island Expressway, links the airport with the rest of Singapore.

A second runway may be built *at the airport as demand rises.* The speed of construction of the current facilities at Changi, where the first airliner landed just four years after the first piling was started in 1977, suggests that rising demand could be met rapidly by the airport authorities.

Other major airport projects in South-East Asia include plans for expanding the airport at Jakarta, Indonesia, while Malay*sia has a number of projects* under way for increasing the role of air transport in meeting the country's transport needs.

British Airports International, the airports consultancy owned jointly by the British Airports *Authority and the private sector* International Aeradio (IAL) company, has carried out a national airports study for the Malaysian Government. This *has involved the evaluation of* existing airports, including Kuala Lumpur and other regional airports.

IAL has also been involved for some time with the Malaysian Civil Aviation Directorate in providing air traffic control staff and advisory training and operational staff for Malaysia's airports. The contract for the work is understood to be worth £5m to IAL.

Elsewhere in the developing world new airports are planned by Colombia, in South America, *Khartoum in the Sudan and on* mainland China, where an airport is understood to be planned on a site close to Japan.

In the Middle East, airport developments have assumed a growing importance in plans by the oil-rich countries to create an advanced infrastructure. Saudi Arabia already has two large international airports at Jeddah and Riyadh. A third major airport is planned for Dhahran. The airport at *Riyadh is expected to become* fully operational in 1983 and Dhahran in 1988.

The King Abdulaziz International Airport at Jeddah is already operational and has been praised as one of the most beautiful in the world. The £2.2bn airport covers a site over *40 miles square and is expected* to be used by 8.5m passengers by 1985.

This is more ground space than is covered by the U.S. airports of Chicago, Los Angeles and both of New York's airports put together. Two 3,300-metre runways have been completed *and a third is planned for the* Royal Saudi Air Force. The airport planned for Dhahran is designed to serve the eastern provinces of Saudi Arabia on the Gulf.

Elsewhere in the Middle East airports are planned for Al Ain and Jebel Ali in the United Arab Emirates.

In Hong Kong the local airport authorities *are planning a* large new airport on a greenfield site at Lantau Island, at Chek Lap Kok. This would replace the existing airport at *Kai Tak, which is expected to* reach saturation point by the mid-to-late 1980s. Ralph Parsons has already been appointed as the management contractor for *the project, but large-scale work* has yet to start on site.

A two-runway airport on Lantau Island would cost between £500m and £800m (1979 prices) and could take between seven and 10 years to complete.

In Europe the largest new airport programme over the next decade is expected to be at Athens, where a greenfield airport site has been identified by the Athens Airport Authority at Sparta. The authority is planning to have the new airport in operation by 1988-89 when it will provide mainland Greece with an annual capacity of 20m passengers.

The British Airports International group has been *awarded a £10m consultancy* contract by the Athens Airport Authority, the biggest contract the group has received since it was launched in April 1978.

The recently-completed North and South Terminals at Hartsfield Atlanta International Airfield in the U.S., claimed to be the world's largest passenger terminal complex

Consultants provide all-in service

THE RISING demand for air transport and the accompanying requirement for airport capacity to match the demands of the airlines and their passengers has created one of the newest and most lucrative specialist markets in the aerospace sector, the market for airport designers, contractors, equipment suppliers and consultants.

An estimated £50bn is expected to be spent on airport developments and the equipment associated with airports in the decade to 1990. Few countries in the world have no developments planned in the airport sphere and of those that are planning new airports, or expansions to existing terminals or runway capacities, approximately 75 per cent are in the developing world, in Africa, *South America and South-east* Asia.

These areas, in particular, present the greatest challenge to the airport planner. Often the developing nation has skills in airport operations based on *an existing development. Local* management has a fund of knowledge of local operating conditions and of the geographical conditions of the country. *Many of the managers have been* involved in the planning and execution of schemes to enhance the local airport, often with contributions from other countries, where airport planning and building has become a well-established discipline.

Planning new airports is a highly skilled task involving qualified staff from a range of disciplines, but a common theme is the need for the central planners to recognise that an airport is not an isolated development, or a law unto itself. Airports have an immense impact on a country's economic, social and industrial infrastructure.

The plans for a new airport have to take into account available resources, how the airport can be made to dovetail with a country's other objectives and plans and how the airport can physically be fitted in to a country.

The expected demand for air transport is the crucial factor which overlays many of the other, broader issues. Contact with airlines likely to use the new facilities is vital, but it is often overlooked by governments in their definition of broad goals and visionary ambitions for their future airports.

At the detailed level, *airport* planners take account of expected traffic volume, the likely flow of passengers at peak periods, the demands of cargo *and baggage, aircraft* movements, the provision of surface transport to and from urban centres, staff requirements, and availability.

This type of information and data enables the planners to assess the physical requirements which will be needed on the ground. The *size of the terminal* building, the length of the runway, the type of equipment that should be used in the control tower, radar, and *passenger transit and baggage* and cargo handling facilities; these are all physical aspects of the airport which have to be precisely defined and costed.

It is an immensely complex *task and one that is not taken lightly by any country without*

NEW DEVELOPMENTS

LYNTON McLAIN

a clear understanding of the objective, the resources that are available to meet that objective in a cost-effective way.

This is where the growing groups of airport consultants fit in. Britain has the British Airports International group as its *main contender in the world airport* consultancy stakes. BAI is a joint partnership between the British Airport Authority, the state organisation which runs Britain's main airports, and International Aeradio. IAL *is a private sector company* which has wide experience in the design, manufacture and supply of communications and security equipment for airports; *in training for air traffic control* personnel and the management of airport systems and services.

IAL also employs air traffic *controllers, with 60 controllers* based at the company's training colleges at Bath, Humberside and Bournemouth airports, and at Battersea Heliport in London. The *company also employs* 160 controllers at airports overseas, making it one of the largest non-government employers of air traffic control officers in the world.

This experience and the company's first *hand knowledge of* airport communications equipment, such as its IAL Stratus air traffic control communication equipment, has proved to be a fine match for the British Airport Authority's skills in airport management and planning.

The joint BAI company provides a consultancy service to advise on the establishment, equipping, installation, maintenance and operation of airports, heliports and associated *facilities. It also carries out* the complete planning and design, construction and management of airport systems, equipment and services.

Elsewhere in Europe, BAI has competitors in the airports consultancy field, which are equally eager to bid for airport consultancy contracts around the world. In France the airport consultancy role is handled largely by a company called Aéroport de Paris. In Germany, *the consultancy is the Frankfurt* Airport Authority.

In the U.S. Bechtel, the construction group, operates the Bechtel Field Services company with experience in the field of airport operations.

Also, in the U.S. two of the giant aerospace manufacturing corporations, Boeing and Lockheed, have service companies which provide consultancy services for developing airports. Boeing Aerospace International offers advice on a consultancy basis for airport operations and Lockheed Services International provides a similar service.

From the airlines, Pan American International Services also provides advice on a consultancy basis for airport authorities.

In Italy, the Italairport group has recently undertaken a study exercise for the Libyan Government of an airport in the Sarir *desert, 370 miles south east of* Benghazi. The objective of the Government interest is to create a new centre of agricultural production as an aid to generating economic growth in the region.

In desert regions as in *other* isolated areas, problems arise with the provision of electricity, water and even the building of roads and the supply of building *materials. All these factors* have to be taken into account in determining whether a site, chosen for its potential for economic growth, can be made suitable for the development of an airport, with its unique demands and *potential* problems.

Manchester International Airport has an exciting future of growth in its sights.

The widened, reprofiled and resurfaced runway will now take the biggest, fastest jets flying anywhere in the world. Tristars, 747s, DC10s, Concorde.

The runway project – the largest contract of its kind ever awarded in Europe – demanded advanced construction techniques, computerised planning and a massive commitment to plant and equipment.

Greater Manchester Council chose Wimpey for the job.

Working exclusively at night to keep the airport fully operational during the day, Wimpey completed the project 8 weeks ahead of schedule.

Wimpey's sheer experience paid dividends again. During the past 40 years Wimpey has been involved in building, modernising or resurfacing over 100 airports throughout the world – including the construction of London Heathrow, Gatwick, Hong Kong, Bahrain, Abu Dhabi and six airfields in Zaire.

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Stronger pound hits markets

By Our Commodities Staff

STERLING'S STRENGTH against the dollar depressed commodity prices on the London markets yesterday.

Copper prices steadied as speculators covered short positions after falling in early trading. But cash wirebars still ended £3 down at £902 a tonne. An early gain in cash tin, based on influential buying support, was almost wiped out leaving the price only £15 up at £8,315 a tonne.

A morning rally in lead was also reversed with cash metal ending £3.75 down at £399.75 a tonne while cash zinc finished a few pounds below the day's peak at £497.50 a tonne, up £4.50 for cash.

Falls in the sugar, coffee and rubber markets were also attributed mainly to currency considerations. March delivery sugar futures closed £2.80 down at £168.755 a tonne, January coffee £27 down at £1,064.50 a tonne and spot natural rubber on the physical market lost 1.5p to 52.5p a kilo.

Cocoa support buying halted

BY JOHN EDWARDS, COMMODITIES EDITOR

COCOA prices fell again yesterday when the buffer stock of the International Cocoa Organisation effectively withdrew from the market. The buffer stock failed to announce a purchase price for its support buying programme and it was indicated that the whole strategy was being reviewed following the sharp drop in prices during the past week.

On the London futures market yesterday the March position closed £33.5 down at £1,171 a tonne but at one time plunged to £1,145 before rallying mainly on trade buying.

The Cocoa Organisation's daily price was cut last night to 97 cents a lb, compared with around 105 cents when the buffer stock support buying started on September 28 and well below the Agreement's "floor" level of 110 cents.

The buffer stock confirmed last night it was not issuing a purchase price for today either—and therefore will remain out of the market.

Total purchases by the buffer stock so far at 61,325 tonnes and this has taken up the greater part of the $230m fund. The resumption of the 1 cent a lb levy on cocoa exports on October 1 will bring in new funds but these will take some time to build up. Meanwhile authority to borrow against accumulated stocks is to be sought at the next meeting of the Organisation's executive committee on October 20.

However, after the chastening experience of the past two weeks there is strong pressure for a change of tactics by the buffer stock. It was pointed out that the buffer stock had removed over 61,000 tonnes of surplus cocoa from the market and this would not become available again until prices rose above 150 cents a pound.

The feeling is that there is little point in dancing to the tune of a market behaving in an irrational way and throwing away money. It might be better to husband resources by remaining ready only to buy at an "appropriate time"

EEC no to edible oils tax

By Larry Klinger in Brussels

THE European Commission yesterday rejected a proposal to tax vegetable oils and oilseeds. It adopted instead a compromise measure that it hopes will not only avoid a trade clash with the U.S. but will help talks on Spain's accession to EEC membership.

The Commissioners stopped short of formally proposing to tax oils and oilseeds—a trade worth $4bn a year to the U.S. alone—while proposing that a final solution be hammered out in the accession negotiations and in parallel talks under the General Agreement on Tariffs and Trade (Gatt).

The U.S. Administration had made clear many times at ministerial level that, in the event of discriminatory barriers being erected, it "would act immediately to defend the country's trade interests."

However, the Commission did not rule out entirely the imposition of a tax on domestic production and imports—a proposal strongly supported by olive oil producers France, Italy and Greece—if talks failed to produce a satisfactory solution to combat what could become an unmanageable EEC surplus of olive oil after Spain and Portugal join the European Community.

The Commission is understood to feel that a new tariff structure could be worked out in the GATT talks with the EEC's trading partners that would necessarily follow a Spanish accession agreement.

One suggestion was that these negotiations might produce a minimum import price structure somewhere between the EEC's current levels and the higher ones now operating in Spain.

In another move, the Commission also proposed to lower the market price of olive oil in relation to other competing oils to help increase olive oil consumption. It also proposed to take measures, as yet unspecified, to help farmers convert from olive production.

Officials were also trying to calm U.S. fears by privately pointing out that, whatever the final arrangement, any danger to overseas producers was not imminent. It was unlikely that Spain could become an EEC member before 1984 and that its membership transition arrangements would probably be spread over at least ten years.

U.S. rejects Gatt soya oil ruling

BY BRIJ KHINDARIA IN GENEVA

THE U.S. has rejected a finding by the General Agreement on Tariffs and Trade (Gatt) that Spain is playing fair on trade in soyabeans and soyabean oil.

The U.S. alleges that Spain runs a complex system of internal regulations aimed at protecting olive oil producers and discriminating against soyabean oil imports. It adds that discouragement of soyabean oil consumption in Spain puts pressure on domestic producers to export the oil at low prices, thus displacing U.S. soyabean oil exports from foreign markets.

To get around a Gatt rule that foreign-made products must be treated on an equal footing with imported products, Spain imports very little soyabean oil but very large quantities of soyabeans which are processed inside Spain into oil. That allows Spain to classify the oil as being home-produced in spite of the foreign origin of the beans and then place the oil under a regime with it not as favourable as the one given to home-produced olive oil.

Spain violates Gatt provisions because soyabean oil and olive oil are similar products that can be used as substitutes, the U.S. argues.

A quota limitation on domestic consumption of soyabean oil produced from imported beans also increases the surplus for export. While the share of soyabean oil in Spanish vegetable oil consumption fell from 35 per cent in 1967-68 to 12 per cent in 1980-81, Spanish exports of soyabean oil rose from 4,000 tonnes to 375,000 tonnes over the same period, the U.S. says in a document sent to GATT's council the main dispute settlement body.

The quotas on soyabean oil have boosted not only olive oil production but also sunflower seed output and sunflower oil consumption. Spain has now become the world's third largest exporter of Soyabean oil.

An inquiry panel set up by the council said last June that the soyabean oil consumption quota in Spain does not discourage imports of soyabeans from the U.S., nor does the internal price set for soyabean oil weaken the incentive to process and sell soyabean oil in the Spanish market.

But the panel added that the internal measures may have encouraged Spanish soyabean oil exports in a way such as to displace U.S. exports from some markets. For that reason it called on Spain to give "sympathetic consideration" to complaints by the U.S.

The U.S. urged the council not to formally approve those findings at a meeting in Geneva on Tuesday. In its turn, Spain submitted a document to the council saying that the U.S. arguments would make way for "a grave restriction of national sovereignty" over Spain's own resources.

"The Spanish delegation cannot share such a thesis which holds that the GATT is not only an instrument regulating trade between nations but must also apply to internal commerce, including cases in which there is no international trade in the products concerned," Spain said.

"The Spanish measures give equal treatment, without any discrimination, to imported and domestically produced soyabeans and to imported and domestically-produced oil," it added.

India may miss grains target

By a Correspondent

LATE RAINS have improved the prospects of India's "kharif" (monsoon season) crops, but still the kharif harvest of 83m tonnes envisaged for the agricultural year 1981-82 appears to be beyond reach.

The pattern of rainfall this year was more or less similar to that in 1980, and realistic assessment of the harvest by the agriculture ministry is placed at around 80m tonnes, which is just 1m tonnes more than last year's kharif harvest.

Taking an overall view, a bumper agricultural year during 1981-82 appears to be out of question. As against the production target of 138.5m tonnes (the grain output is composed of kharif and rabi, or winter season, crops) of foodgrains, the size of the harvest may reach 135m tonnes.

This year, in 1981-82, India has imported 1.5m tonnes of wheat from the U.S.

Aluminium output cut

By Canute James in Kingston

ALCAN JAMAICA, the local bauxite refining subsidiary of the Canadian aluminium producer, is reducing its operations for the second time in four months because of a continuing soft market for the metal.

The company is reducing refining by 5.5 per cent for this year and 11.7 per cent next year at its two refineries here which have a combined capacity of 1.1m tonnes of alumina.

The other North American companies operating in the island Alcoa, Reynolds, Kaiser and Anaconda—have all previously reduced mining and refining, and the Government says it expects bauxite output this year to be about 500,000 tonnes below last year's 12m tonnes.

Alcan is also to delay indefinitely the start of production at the second 57,000-tonnes-a-year aluminium smelter that it is building at Grande Baie, Quebec. The company blames "sagging markets" for the delay which will continue until conditions improve. Work will continue, however, upon the third pot-line being built at the site.

Danes may spark new herring row

BY HILARY BARNES IN COPENHAGEN

DENMARK'S fisheries' minister Karl Hjortnaes has given Danish fishermen permission to fish for herring in the North Sea, as from next week; and he has not put a limit on the tonnage they may catch, an omission which may be regarded by other EEC countries as a deliberate provocation.

When the EEC Commission proposed to re-open herring fishing in the southern area of the North Sea, in which herring fishing has been banned since 1977, it suggested a 1,000 tonne quota for Denmark out of a total quota for October of 20,000 tonnes. Mr Hjortnaes described the proposed quota at the time as derisory.

Subsequently, EEC ministers failed to agree to re-open herring fisheries, but the Commission, in a step which most members regard as illegal, decided to re-open the fishing anyway.

Since then, the UK and other nations have decided to allow their own fishermen to catch herring up to the Commission's proposed quota limit. Other EEC countries can be expected to lodge immediate protests, if the twice-weekly catch returns which are sent to Brussels show that Denmark has exceeded the 1,000 tonne figure.

The British Fishing Federation described the Danish decision as irresponsible. "Two of Denmark's powerful purse seine vessels could clean up the Danish herring quota in a single night," a spokesman stated.

He said the Danes appeared to be thumbing their noses at EEC fisheries conservation measures.

The European Commission said last night that it had not been officially notified of Danish intentions to fish herring in the North Sea, but officials said that there could obviously be no objection if the Danes confined their activities to the south of the North Sea where herring catches are now allowed and stopped fishing when their limit of 1,000 tonnes was reached.

FARMERS' VIEWPOINT

Hard times for tenants

A NUMBER of tenant farmers in England have formed "The Tenant Farmers Association" to look after the interests of tenant farmers in general in spite of objections from the National Farmers Union. The NFU's opposition is based on the fact that it already has a committee jointly with the Conutry Land Owners Association to try and get some alteration in the present tenancy laws. These chiefly concern the criteria for rent fixing, and the difficulties of finding farms to rent in view of the law which enables the tenancy of a farm to persist through up to three generations under certain conditions.

The TFA's aims are roughly the same, but its founders believe that their organisation, which would specialise in looking after tenants' interests, would be preferable to the NFU's rather diffuse subcommittee.

About 38 per cent of British agricultural land is tenanted and the TFA fears that with no more 14 per cent of vacant farms being reltet under the Agricultural Holdings Act the number of tenants is bound to go on shrinking. Other farms are being let under avariety of partnership agreements which the Association would like to monitor as well.

Of particular concern is the method for determining rents. In England and Wales a landlord can demand a rent increase every three years, while in Scotland it is every five.

If the landlord and tenant cannot agree on a figure there is provision for arbitration. This goes back to the Agricultural Act of 1958. There the instructions to arbitrators quite clearly set out that in deciding a rent the arbitrator should take account of the level of rents agreed between a willing tenant and landlord.

Because there are so few farms to let, those applying for them are forcedt o bid very high rents. These high rents are then used by landlords' agents to try and persaude the arbitrator that this is the criteria that shouldb e used when raising existing rents. The TFA objects that many of these high rents contain a substantial amount of "key" money or even ignorance of the basic facts of economic farming.

As a result, it is claimed; "There is inadequate investment, soaring bank borrowings and farm staffing cut to the bone."

Ironically some of those involved actually sold their farms on leaseback terms in order to secure more capital and are now upset because their landlords are trying to increase the return on their investment. Many of the original rents were giving a return of 2 per cent or 3 per cent at the time of the leaseback deal, and I cannot see why those entering into these arrangements could not see what was likely to happen.

It is very difficult to see what criteria could be used as instructions to arbitrators other than those ruling. The production and profitability of a farm are infinitely variable according to the abilities of the occupant. A tennant might go to the arbitration proceedings complete with his books of account only to be told by the agent for the landlord that he had had an offer for a similar farm from a bonefide farmer equal to the rent he was demanding.

Some arbitrators, do, I believe, take the quality of the land into account, using perhaps their own knowledge of farming. But usually chartered surveyors from whom the arbitrators are drawn, are far from all being practical farmers.

Partnerships are becoming quite popular as a means of defeating the succession of tenancy problems. In effect they make the landlord a joint participant with the farmer. Some of them work very well, but others contain within their rather complicated conditions the seed for many disagreements and it would not surprise me to see legislation in this area one day.

But overall nothing is going to increase the number of farms to rent as long as there is sufficient prosperity in the industry to keep aspiring farmers bidding for the few farms that come on the market, and which at the same time makes farmers determined to stay in the farms they have got.

JOHN CHERRINGTON

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL PRICES were generally easier on the London Metal Exchange although Zinc continued to move ahead, reflecting renewed short covering, and closed at £495. Tin dipped to £8,350, reflecting the rise in sterling. Lead was finally £409.5, after £407, while Aluminium closed at £640.5 and Nickel at £2,835.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	905-.5	—4	901.5-2.5	—3
3 mths	938-.5	—5	935-.5	—4
Settlem't	905.5	—4	—	......
Cathodes				
Cash	900-1	—4.25	898-900	—3.5
3 months	932.5-4	—5	930-2	—2.75
Settlem't	901	—4.5	—	......
S. Prod	—		*79.5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £905.5, 05, three months higher grade £939, 40, 39, 38. Standard: Cathodes, cash £901. Kerb: Wirebars, three months £938, 37, 38, 37, 36.5. Afternoon: Wirebars, higher grade three months £934, 33, 32.5, 32, 32.5, 33, 32.5, 33.5, 34, 35, 35.5. Kerb: Wirebars, three months £936, 36.5, 36, 35.5, 35, 34, 33, 33.5, 34. Turnover, 19,275 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8225-40	—45	8310-20	+15
3 months	8360-5	—42.5	8355-60	—42.5
Settlem't	8240	—40	—	......
Standard				
Cash	8225-40	—45	8310-20	+15
3 months	8360-5	—42.5	8355-60	—42.5
Settlem't	8240	—40	—	......
Straits E.	†$35.51	......		......
New York	—	......		

Tin — Morning: Standard: Cash £8,220, three months £8,380, 70, 50, 60. Kerb: Standard: Three months £8,350, 55. Afternoon: Standard: Three months £8,360, 70, 60. Kerb: Standard: Three months £8,350, 60, 55, 60, 50. Turnover, 1,895 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	400-1	—4.25	399.5-400	—3.75
3 months	409-.5	—4	407-.25	+4.82
Settlem't	401	—4.5	—	......
U.S. Spot	—	......	*38.44	......

Lead—Morning: Cash £401.5, three months £409, 10, 10.5, 10, 09.5, 09. Kerb: Cash £400.5, three months £409, 08.5, 09. Afternoon: Cash £400, three months £410, 09, 08, 07, 07.5, 08, 07.5. Kerb: Cash £400.5, three months £409, 08, 09, 10, 09.5, 10. Turnover, 14,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	478.5-9	......	479-80	+4.5
3 months	492-.5	—.25	492.5-3	+4.5
ment	479	......		......
Primw'ts	—	—	*45.5-50	......

Zinc—Morning: Three months £491, 92, 93, 92.5. Kerb: Three months £492, 91, 92, 93. Afternoon: Three months £492, 91, 92, 93. Kerb: Three months £495, 96, 97, 96.5, 97, 98, 97, 96, 95. Turnover, 16,360 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	614-.5	—5.5	612-3	—5.5
3 months	642-.5	—3.5	640-1	—6.25

Aluminium—Morning: Cash £614, three months £643, 42.5. Kerb: Cash £614, three months £643. Afternoon: Cash £613.5, three months £640, 41, 40, 40.5, 40, 39.5, 40. Kerb: Three months £642, 41.5, 41, 40.5, 41. Turnover, 9,525 tonnes.

Nickel—Morning: Early October £2,760, three months £2,845, 50. Afternoon: Three months £2,840, 30. Kerb: Three months £2,845. Turnover, 848 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2745-50	—7.5	2725-35	—25
3 months	2845-50	—5	2825-35	—22.5

* Cents per pound. † M$ per kilo. ‡ On previous unofficial close.

SILVER

COCOA

Renewed commission house and chartist selling caused values to ease sharply in volatile trading conditions before short-covering in late dealings pared earlier losses. Improved offtake was found among manufacturers who took advantage of the lower bean and butter prices, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
Dec	1174-75	—36.5	1195-41
March	1170-72	—33.5	1186-45
May	1175-76	—34.0	11805-0
July	1177-80	—35.0	1185-55
Sept	1195-205	—19.0	1200-164
Dec	1200-20	—17.5	1203-175
March	1210-40	—12.5	1199-90

Sales: 10,185 (7,282) lots of 10 tonnes.

ICCO—Daily price for October 8: 97.00 (99.10): indicator prices for October 9: 102.38 (104.14).

COFFEE

Despite opening weaker, dealer buying in a narrow range temporarily held prices above recent chart points, reports Drexel Burnham Lambert. Further pressure, mainly from commission houses, made dealers reluctant to continue their support.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1052-54	—30.5	1076-49
Jan	1064-65	—27.0	1806-53
March	1067-68	—31.0	1901-66
May	1070-72	—28.5	1905-71
July	1175-81	—28.0	1100-81
Sept	1073-85	—21.0	—
Nov	1085-10	—2.5	—

Sales: 5,599 (2,423) lots of 5 tonnes.

ICO 1979 indicator prices for Oct 7: (U.S. cents per pound): Comp. Daily 117.29 (116.93); 15-day average 113.72 (113.01).

GAS OIL FUTURES

The market traded quietly in the morning before rallying on Middle East rumours and reports from the Phyical market, reports Premier Man.

Month	Yesterdya close	+ or —	Business Done
	$ U.S. per tonne		
October	307.25	+0.50	307.75-06.50
November	311.50	+0.75	311.75-10.25
December	314.75	+1.50	316.00-13.25
January	317.50	+1.50	318.00-16.00
February	319.00	+0.50	319.75-18.00
March	321.25	+0.75	321.25-19.75
April	321.75	+0.25	—
May	323.00	+1.00	323.50-25.00
June	324.50	......	—

Turnover: 900 (761) lots of 100 tonnes.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 467.0, 488.0, 488.5-486.5; Dec 499.0, 499.5, 500.1-499.0; March 511.0, 512.0, 512.0-510.0; May 522.5, 522.9, 522.5-521.0; July 526.6, 527.0, untraded; Oct 525.0, 527.0, 525.0; Dec 528.0, 529.0, untraded; March 535.0, 537.0, untraded. Sales: 181.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg.

GRAINS

RUBBER

SOYABEAN MEAL

SUGAR

LONDON DAILY PRICE—Raw sugar £160.00 (£16.00) a tonne cif Oct-Nov shipments. White sugar daily price £176.00 (£183.00).

Prices continued to ease in quiet conditions, reports C. Czarnikow.

COTTON

POTATOES

MEAT/VEGETABLES

£9.00-£10.00, (medium) £6.00-£8.50. Lemon soles (large) £12.00, (medium) £10.00. Rockfish £2.10-£4.10. Saithe £1.70-£2.60.

PRICE CHANGES

In tonnes unless otherwise stated.

Arable Marketing Services

Arable Marketing Services (South) Ltd., 21a Winchester Road BASINGSTOKE, RG22 IUE

Tel: Basingstoke (0256) 66677

We would like to take this opportunity to announce this month's trading results of our discretionary trading account.

ARABLE MARKETING MANAGED FUND ACCOUNT No. 5100

This fund operates by the staff of A.M.S. investing monies offered to the company from Farmers or individuals into Arable commodity markets.

Trading results September 1981:

1—£500 share (minimum investment)

Yielded a net profit of £12.87p.

This equates to a return on capital of 31% per annum.

If you would like to know more about A.M.S. and their services: please contact Roger Hedges at the address above.

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further advertising details please ring: 01-248 8000, Extn. 3606

AMERICAN MARKETS

NEW YORK, October 8

Civil unrest in Egypt and a cut in the prime rate rallied the precious metals, heating oil and copper. Cocoa continues depressed as the market doubts the ability of the ICCO to hold up prices through buffer stock buying. Coffee declined on speculative liquidation related to higher wholesale prices. Sugar drifted lower on news of further progress in the Soviet harvest. Grains and soyabeans sold off on good harvest momentum and a bearish private crop forecast. Cotton was fractionally higher on evening up just ahead of a new crop report, reported Heinold.

Copper—Oct 77.05 (76.30). Nov 77.90 (77.15). Dec 78.85-79.00, Jan 80.00, March 82.15-82.20, May 84.00, July 85.95, Sept 87.80, Dec 90.35, Jan 91.20, March 92.95, May 94.70, July 96.45.

*Gold—Oct 448.6 (444.4). Nov 453.1 (449.0). Dec 457.0-458.0, Feb 468.5, April 482.0, June 493.6, Aug 506.1, Oct 518.6, Dec 531.2, Feb 543.8, April 556.5, June 569.4, Aug 582.5.

*Platinum—Oct 422.0 (420.0). Jan 435.0-436.5 (433.6). April 452.1, July 470.0, Oct 488.5.

Potatoes (round whites)—Nov 73.5 (74.0). Feb 85.0-85.5 (84.0). March 89.5, April 103.5-103.9. Sales, 550.

¶Silver—Oct 946.0 (920.0). Nov 952.0 (927.0). Dec 963.0-969.0. Jan 978.5, March 1005.0-1007.0, May 1030.0, July 1055.0, Sept 1080.0, Dec 1117.5, Jan 1130.0, March 1155.0, May 1180.0, July 1205.0. Handy and Harman bullion spot: 928.00 (920.00).

Sugar—No. 11: Jan 11.75 (11.95). March 12.45-12.48 (12.72). May 12.80-12.83, July 13.13-13.14, Sept 13.33, Oct 13.51, March 14.21. Sales: 4,665.

Tin—700.00-715.00 (696.00-720.00).

CHICAGO, October 8

Lard—Chicago loose 23.25 (23.50).

Live Cattle—Oct 63.87-63.97 (64.07). Dec 65.15-65.20 (64.97). Feb 63.75-63.67, April 64.12-64.20, June 65.15, Aug 64.80, Oct 63.85.

Live Hogs—Oct 47.60-47.75 (47.90). Dec 48.90-48.80 (49.32). Feb 48.00-48.15, April 45.70-45.65, June 48.27, July 48.65, Aug 47.60, Oct 47.05, Dec 48.50.

‡‡Maize—Dec 291½-291¾ (294½). March 309½-309¾ (312). May 319½-320, July 327¾-327, Sept 331, Dec 335¾-335½.

Pork Bellies—Feb 63.95-64.20 (64.00). March 64.10-64.20 (64.02). May 64.90, July 66.10, Aug 65.20.

†Soyabeans—Nov 662½-661½ (667½). Jan 684½-683½ (689¾). March 708-706½, May 728, July 747-746, Aug 752, Sept 752½, Nov 761¼.

‖Soyabean Meal—Oct 184.0 (184.9). Dec 191.0-191.2 (192.1). Jan 195.0-195.3, March 201.8, May 207.8, July 213.3, Aug 215.2-215.3, Sept 216.0-216.5, Oct 217.0-217.5, Dec 221.0-222.0.

Soyabean Oil—Oct 21.33 (21.64). Dec 22.05-22.00 (22.38). Jan 22.40, March 23.20-23.25, May 23.75-23.80, July 24.33, Aug 24.45-24.50, Sept 24.50-24.55, Oct 24.70-24.80, Dec 24.90-25.00.

†Wheat—Dec 429-428¾ (429). March 453½-455 (455¼). May 463¾-463½, July 457¼.

WINNIPEG, Oct 8.

§Barley—Oct 127.10-127.20 (128.00). Dec 123.80 (124.10). March 127.40, May 131.60, July 133.00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 236.84 (237.04).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Wednesday's closing prices

NEW YORK, October 7.

††Cocoa—Dec 2040 (2128). March 2118 (2206). May 2180, July 2185, Sept 2211, Dec 2231. Sales: 4,980.

Coffee—"C" Contract: Dec 133.00-133.95 (135.17). March 129.30-129.50 (130.98). May 127.40-127.50, July 126.00, Sept 125.72, Dec 122.50, March 119.00-120.00. Sales: 1,727.

Cotton—No. 2: Oct 65.40 (64.75). Dec 66.15-66.40 (65.67), March 68.65-68.69, May 70.50, July 72.20-72.35, Oct 74.10-74.30, Dec 75.20, March 76.00-76.50. Sales: 4,700.

Orange Juice—Nov 130.50-130.60 (131.40). Jan 134.40 (135.45). March 136.60-136.70, May 138.60-138.70, July 140.70-140.80, Sept 140.75-141.00, Nov 140.40-140.60. Sales, 500.

CHICAGO, October 7.

Chicago Imm Gold—Dec 453.5-454.0 (460.7). March 471.5-470.8 (479.0). June 488.0, Sept 507.8, Dec 526.3, March 545.0, June 563.9, Sept 583.0.

NEW ORLEANS—Milled Rice Futures (cents per cwt of U.S. No. 2 long grain): Nov 1951, Jan 1971, March 2001, May 2028.

WINNIPEG, Oct 7.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 237.04.

EUROPEAN MARKETS

ROTTERDAM, Oct 8

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent Oct 193, Nov 200, Dec 209, Jan 214, Feb 216, Mar 218. U.S. No Two Red Winter Oct 182, Nov 186. U.S. No Three Amber Durum Oct 196, Nov 195, Dec 199, April/May 206. U.S. No Two Northern Spring 14 per cent Oct 190, Nov 193, Dec 196, April/May 205.

Maize—(U.S. $ per tonne): U.S. No Three Corn Yellow afloat 137.50 traded, afloat 138, Oct 135.2, Nov 134.75, Dec 137, Jan/Mar 144, April/June 148.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Oct 267, Nov 265, Dec 269.75, Jan 276.50, Feb 280.50, Mar 285, April 289.75, May 293.50, June 299 sellers.

Soyameal—(U.S. $ per tonne). 44 per cent protein U.S. afloat 245, Oct 234 traded, afloat 253, Oct 236, Dec 241, Nov/Mar 244, April/Sept 267 sellers. Brazil Pellets afloat 254 traded, afloat 258, Oct 254, Nov 252.50, Dec 252.50, Nov/Mar 263, April/Sept 277 sellers.

PARIS, Oct 8

Cocoa—(FFr per 100 kilos): Dec 1195/1201, Mar 1216/1225, May 1225/1240, July 1230/1250, Sept 1240/1255, Dec 1285/1290, Mar 1290 bid. Sales at call: 8.

Sugar—(FFr per tonne): Nov 1735/1795, Dec 1792/1795, Mar 1838/1841, May 1871/1884, July 1880/1900, Aug 1890/1920, Oct 1900/1930, Nov 1900/1930. Sales at call 5.

INDICES

FINANCIAL TIMES

Oct. 7	Oct. 6	Month ago	Year ago
262.08	263.00	259.35	275.90

(Base: July 1, 1952=100).

MOODY'S

Oct. 7	Oct. 6	Month ago	Year ago
1011.5	1010.7	1020.9	1521.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 7	Oct. 6	Month ago	Year ago
Spot	353.75	356.45	346.92	468.8
Fut'rs	372.79	376.08	366.62	492.6

(Average 1924-25-26=100)

REUTERS

Oct. 8	Oct. 7	M'nth ago	Year ago
1651.6	1661.5	1663.5	1755.0

(Base: September 18, 1931=100)

Rise in Gilt-edged continues despite mini-tap sales but leading equities struggle to hold early gains

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 28	Oct 8	Oct 9	Oct 19
Oct 12	Oct 22	Oct 23	Nov 2
Oct 26	Nov 5	Nov 6	Nov 16

* "New-time" dealings may take place from 9.30 am two business days earlier.

ment funds were committed again yesterday to Government stocks but the renewed strength in this area of London stock markets failed to sustain the equity sectors and leading shares flagged *after opening brightly.*

Sterling's good improvement yesterday together with the continued easing in U.S. and domestic short-term interest rates encouraged the demand for Gilts. The Government broker was able to sell supplies of the two longer of the three tapettes which became available to the market yesterday.

For a while, this checked the upturn, but quotations subsequently *made further progress* and closed at the day's best with gains extending to ⅛. Rises in the shorts were more modest, but gains of ¼ contributed to a further improvement of 0.36 to 61.92 in the Government securities index. News of a *major U.S. Prime rate cut to* 18½ per cent came too late to have much impact on sentiment.

Wall Street's impressive performance overnight prompted *dealers to mark leading shares* sharply higher at the opening, but sellers appeared at the *enhanced levels* and confidence began to wane. The FT 30-share index illustrated this by posting a rise of 6.7 at 10 am and one of only 2.3 an hour later.

Thereafter, the trend improved slightly until the late dealings when values tailed off noticeably amid talk that Glaxo could announce a rights issue with its *preliminary figures, due next* Monday. As a result, the index, which had picked up to show a rise of *4.3 at 3 pm*, ended just a point better on the day at *487.7.*

Overall trading conditions were relatively quiet, but company trading statements prompted the odd feature. Among the sectors, Discount Houses stood out with some useful gains, largely reflecting a continuation of the *improved tone in British Funds.*

Total contracts completed in Traded options amounted to 1,961 comprising 1,562 calls and 399 puts. Call activity was more widely-spread than of late with **BP**, **Grand Metropolitan** and **Courtaulds** all recording more *than 200 trades.* ***BP*** *remained to the fore among puts, attracting* 122 deals.

Habitat, which staged a successful market debut on Wednesday, attracted fresh support and firmed 3 more to 133p.

Alex. Howden dull

Alexander Howden lost 4 to 135p among Lloyds Brokers owing to adverse comment on the Alexander and Alexander Services bid *situation.* ***Minet*** moved between extremes of 148p and 143p following satisfactory interim figures before closing a net penny cheaper at 145p. *Higher initially at 288p on an* investment recommendation, **C. E. Heath** ran back to finish 2 off at 283p, but **Willis Faber** jumped 11 to 358p following demand in a restricted market. Elsewhere, **Hambro Life** fell 9 more for a two-day fall of 27 to *338p following the profits warning.*

Reflecting the current strength of gilts coupled with hopes that interest rates may *have peaked,* Discount Houses recorded good gains. **Union**, 22 to the good at 432p, led the advance, *while* ***Cater Ryder*** *put* on 15 to 295p. Hire Purchases also improved. **Provident Financial** added 6 at 108p and **FNFC** 1¼ at 28p. Elsewhere, *Gridlays rose 8 to 200p on revived* bid hopes.

Trade in Buildings remained thin, but selected issues responded to the efforts of small *buyers. Cement* concerns often improved following the decision to increase the cement price by 7½ per cent from January 1982; **Blue Circle** jumped 12 to 462p and **Ready Mixed Concrete** hardened 2 to 184p, while **Cement Roadstone** added 3 at 78p. **Tarmac** were in demand and firmed 6 to 352p, as did **BPB Industries**, to 248p. Elsewhere, **Higgs and Hill** gained 3 more for a two-day rise of 15 to 130p on *the interim results, while* **Wiggins Construction** put on 6 at 68p. **Ruberoid** replied to higher interim profits with a gain of 9 to 88p, while demand ahead of the half-yearly results, due next Wednesday, lifted **Ibstock Johnsen** 3 to 66p. In contrast, ***Hewden Stuart*** *shed a penny to* 27p following sharply lower interim profits and a gloomy statement. Among housebuilders, **Barratt Developments** attracted sporadic support and advanced 6 to 220p. **Fairview Estates** rose 5 to 103p.

ICI*, a volatile market of late,* failed to regain composure and, after opening several pence higher, drifted back in thin trading to close a net 2 cheaper at 260p.

Austin Reed revive

Leading Stores were featured by **House of Fraser** which advanced 4 to 149p following the *chairman's encouraging progress* report on the Harrods flagship. Gussies A closed 3 dearer at 398p, after 400p, while **Debenhams**, mid-term results due today, gained the turn to 75p. **Currys**, a dull market on Wednesday, rallied strongly and closed 8 to the good at 163p; *the interim* results are expected next Monday. Revived speculative demand lifted **Austin Reed** 8 to 73p and the A 10 to 68p, while **J. Hepworth** were wanted at 93p, up 3. Still bolstered by the chairman's confident view of prospects. **Combined English** added 2 more at 41p.

The Electrical majors established fresh gains ranging to 17 following an initial mark-up and *ensuing investment demand.* However, light profit-taking towards the close and in the after-hours' trade left a mixed close. **GEC** ended a couple of pence off at 688p, after 707p, while **Racal**, supported up to 423p on news of the U.S. radio marketing deal with Gould Company of Illinois, reacted to end 3 lower at 412p. **Thorn EMI** put on 5 at 432p, after 440p, and **Plessey** hardened the turn to 311p, after *319p. Elsewhere,* **Farnell** put on 15 to 470p and **First Castle Securities** 8 to 98p, after 100p, following favourable interim trading statements. **Unitech** added 10 at 225p and **United Scientific** 7 at 457p.

Secondary Engineerings provided a few firm spots. Sporadic demand helped **APV** improve 15 to 235p and **Haden** add 8 to 210p. **G. M. Firth**, in which Mr I. H. Wasserman holds a near-19 *per cent stake, rose 7 to 142p on* revived speculative support, while improvements of around 4 were seen in **Desoutter**, 97p, **Simon**, 355p, **Spirax Sarco**, 134p, and *Whessoe*, 128p. *The quietly firm leaders had* **GKN** 2 dearer at 152p and **Tubes** a similar amount better at 112p.

Leading Foods improved a few pence, **Brooke Bond** hardening the turn to 47p and **RHM** improving 1½ to 50p, both on yield considerations. Elsewhere, ***Linfood*** *attracted late speculative* support following speculation about a pending market raid and *closed 7 up at 152p.* **Bernard Matthews** firmed 8 to 105p on news that the ban on French turkey imports would stay in force until Christmas.

Among Hotels and Caterers, **Comfort Hotels** improved a penny to 16½p despite the interim *loss.*

Glaxo nervous late

Up to 8 better in the early trade, **Glaxo** reacted late to close that much lower at 382p on nervous selling fuelled by vague rumours that the group might *announce a sizeable* rights issue with Monday's annual results. Other miscellaneous industrial *leaders also fell away* after a firm start. **Reed International**, however, held the day's best level of 245p, up 11, after buying ahead of the interim results due *later this month.* Elsewhere, **Bruntons Musselburgh** stood out with a rise of 17 to 120p in response to the better-than-expected first-half results. **Sotheby's** advanced 17 late to 437p on renewed investment support, while comment on their respective *interim statements* prompted a rise of 9 to 153p in **United Carriers** and 8 to 90p in **JB Holdings**. ***Wood Hall*** added 9 to 137p on revived bid hopes. Still reflecting the company's Japanese link-up with Fujitsu, **ICL** improved a penny more to 40p, while rises *of 10 and 12 respectively were* recorded *in* **J. Bibby**, 250p, and **AGL** 255p. **Granada A** firmed 6 to 204p as did **Hanson Trust** at 273p and **Vinten** at 158p.

Sterling's improved performance lent support to holiday concerns and **Horizon Travel** touched 222p *before closing a* net 11 up at 218p. **Saga Holidays** gained 15 to 330p and **Intasun** 4 to 80p. Elsewhere, **Associated Leisure** met with further demand and *firmed 3 more to 98p, while* **Zetters** added a like amount at 80p.

Motor and aircraft component manufacturers retained a gener*ally firm appearance.* ***Dowty*** closed 4 up at 224p, while **Flight Refuelling** returned to favour with a rise of 15 to 300p. **Lucas**, however, came under late pressure and reacted from 218p to close a net 5 lower at 209p.

Oils easier

Unfounded reports that the EEC had advised North Sea oil producers to cut output curtailed the recently bouyant business in Oils. **British Petroleum** drifted off to close 6 cheaper at 294p, while **Shell** softened 4 to 346p. *Burmah gave up 3 at 110p* and **Ultramar** 7 at 453p. Elsewhere **KCA International** rose 8 to 126p on new time interest, while renewed support lifted **Berkeley** *Exploration 10 to 290p.* Demand ahead of next Tuesday's interim results lifted **Hunting Petroleum** 8 to 186p.

Renewed bid speculation lifted **Tozer Kemsley and Millbourn** 3 to 67p, while **Inchcape**, a dull market recently, rallied 7 to *290p. Elsewhere in Overseas* Traders, **James Finlay's** interim results were well-received and the close was 3 up at 78p.

South African industries closed *lower where altered.* ***OK Bazaars*** dipped 20 to 880p, while **Barlow Rand** ended 13 cheaper at 417p.

Golds down again

Plantations attracted a fair amount of interest and closed with *useful gains* across the board. **Warren** touched 260p before settling with a net gain of 4 at 245p; *successful bidders* ***McLeod Russel*** finished a few pence off at 310p. **Inch Kenneth**, 190p, and **Castlefield**, 340p, rose 15 and 10 respectively, while **Majedie**, 78p, and ***Harrisons Malaysian Estates***, 187p, both added 5. Blantyre, currently in receipt of a contested bid from Eastern Produce, were influenced by news *that Barlow Investments* had acquired a 6.85 per cent holding and improved 13 to 90p.

Mining markets encountered renewed profit-taking and lack of *buying interest as the bullion* price failed to register any significant progress prior to closing $1.50 ahead at $446 an ounce.

Golds lost ground throughout the day and were additionally weakened by a fall in the Financial Rand. However, towards the close of trading light overseas support took share prices a fraction off the day's lows although the Gold Mines index was still 11.7 down at 383.0.

South African Financials were also under pressure. **"Johnnies"** dipped £1⅛ to £35, **"Amgold"** *lost a half-point to £48⅞* but **Gold Fields of South Africa** held steady at £44 ahead of the profits for the September quarter from the group's gold mines published *this morning.*

The London Financials drew strength from the early performance of the UK equity market. **Rio Tinto-Zinc** were outstanding and climbed 15 to 490p, while **Gold Fields** added 3 to 485p and **Charter** 2 to 232p.

A generally firmer Australians sector was featured by strong speculative support for oil and gas issues.

The **Rundle** twins were particularly in demand on rumours of iminent goods news from the Condor oil-shale deposit in Queensland. **Southern Pacific Petroleum** rose 4 to 25p, after 26p, while **Central Pacific** advanced 12 to 56p.

Elsewhere, **Hemerdon Mining and Smelting** revived to close 7 *up at 54p on news that the company* is seeking planning permission for a full go-ahead of the tungsten-tin mine in Devon.

FINANCIAL TIMES STOCK INDICES

	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 2	Oct. 1	A year ago
Government Secs	61.92	61.56	60.95	60.93	60.60	60.66	70.94
Fixed Interest	63.04	62.77	62.50	62.30	62.33	62.25	72.02
Industrial Ord	487.7	486.7	475.0	490.4	476.3	475.0	473.7
Gold Mines	383.0	394.7	401.5	387.0	378.5	377.9	531.5
Ord. Div. Yield	6.11	6.11	6.26	6.08	6.28	6.31	7.79
Earnings, Yld. % (full)	10.26	10.28	10.53	10.23	10.66	10.76	17.58
P/E Ratio (net) (*)	12.52	12.52	12.23	12.58	12.19	11.93	6.97
Total bargains	18,160	20,058	16,360	17,325	18,093	18,286	20,181
Equity turnover £m.	—	128.16	103.83	112.86	90.85	106.51	105.53
Equity bargains	—	12,863	13,648	12,326	11,861	14,137	15,736

10 am 493.4. 11 am 489.0. Noon 490.9. 1 pm 491.1. 2 pm 491.2. 3 pm 491.0.

Latest Index 01-246 8026.
*Nil = 11.12.

Basis 100 Govt. Secs. 15/11/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	60.45 (28/9)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	61.94 (28/9)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9)	262.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 7	Oct. 6
Daily Gilt Edged Bargains	213.0	215.5
Equities Bargains	88.3	88.4
Equities Value	259.0	309.9
5-day Avrge. Gilt-Edged Bargains	198.0	193.6
Equities Bargains	84.0	82.2
Equities Value	219.2	218.0

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (5)

CHEMICALS (1)
Halstead (J.)
ENGINEERING (1)
Braham Miller
INDUSTRIALS (1)
J. B. Holdings
PAPERS (1)
Assoc. Paper
OVERSEAS TRADERS (1)
Warren Plantations

NEW LOWS (11)

FOREIGN BONDS (1)
Hungary 7½ Ass.
AMERICANS (1)
Burroughs Corp.
CANADIANS (1)
Brascan
INDUSTRIALS (3)
Burns Anderson   Mathesons 7½pc
M'chester Ship Canal
LEISURE (1)
A-R TV Pref.
MOTORS (1)
Jolcy (UK)
TRUSTS (2)
Bonusbond   Mexico Fund
OILS (1)
Silkolene

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	88	—	4
Corpns. Dom. & Foreign Bonds	39	—	30
Industrials	487	54	812
Financial & Props.	277	34	191
Oils	33	18	52
Plantations	14	1	6
Mines	29	63	75
Others	61	55	78
Totals	1,008	266	1,250

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Blantyre Tea	90	+13	Minet	145	−1
Blue Circle	462	+12	Racal Electronic	412	−3
BP	294	−6	Reed International	245	+11
Central Pacific	56	+12	RTZ	490	+15
GEC	688	−2	Ultramar	453	−7
Land Securities	290	—	Unilever	578	+10

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Wednesday's closing price pence	Day's change	Stock	No. of price changes	Wednesday's closing price pence	Day's change
LASMO	29	505	+35	Beecham	16	192	+6
GEC	28	690	+13	BP	16	300	+2
Racal Elec.	19	415	+15	Ultramar	16	460	+15
Tricentrol	18	248	+12	Unilever	16	568	+8
Burmah Oil	17	113	+5	BTR	15	334	+11
ICI	17	262	+12	Glaxo	15	390	+12
Plessey	17	310	+10	RTZ	15	475	+1

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 5	Oct 16	Jan 7	Jan 18
Oct 19	Oct 30	Jan 21	Feb 1
Nov 2	Nov 13	Feb 11	Feb 22

For rate indications see end of Share Information Service

Call options were taken out in Premier Oil, Woodside, ICL, BP, Hawley Leisure, Hutchison Whampoa, U.S. Steel, Rothmans, FNFC, Town and City Properties, Charter Cons., Haoma Gold, KCA Drilling, Belhaven, Muirhead, Poseidon, North Kalgurli, Caffyns and Black and Edgington. *Puts were done in* Marks and Spencer, Premier Oil, Carless Capel, GEC, Land Securities and MEPC. Double options were arranged in FNFC, BP and KCA.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., Oct. 8, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Oct. 7 Index No.	Tues., Oct. 6 Index No.	Mon., Oct. 5 Index No.	Fri., Oct. 2 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	323.43	+0.8	10.94	4.89	11.29	320.93	315.79	320.51	313.21	279.99
2	Building Materials (25)	281.06	+1.5	16.16	6.11	7.05	277.02	273.31	275.76	272.13	247.97
3	Contracting, Construction (28)	499.07	+1.6	19.01	5.72	6.11	491.44	491.03	493.36	490.64	417.33
4	Electricals (30)	1080.92	−0.1	8.43	2.65	14.80	1081.63	1055.81	1084.07	1046.94	862.78
5	Engineering Contractors (9)	446.52	+1.8	14.51	6.16	8.13	438.48	442.00	431.00	429.31	342.81
6	Mechanical Engineering (66)	180.33	+1.1	12.29	6.08	10.56	178.33	176.05	178.89	174.99	176.51
8	Metals and Metal Forming (13)	152.92	+1.6	9.43	7.75	14.37	150.50	148.37	147.61	146.09	153.28
9	Motors (21)	90.87	+0.2	—	7.42	—	90.72	89.38	91.86	88.74	96.99
10	Other Industrial Materials (18)	349.01	+1.5	9.46	6.47	12.87	343.93	339.08	340.02	335.15	0.00
21	CONSUMER GROUP (197)	254.79	+0.7	13.71	6.35	8.99	252.96	249.21	253.53	247.10	234.52
22	Brewers and Distillers (20)	265.41	+0.3	16.90	7.29	7.13	264.52	261.77	266.98	259.95	275.38
25	Food Manufacturing (21)	246.18	+1.5	16.24	6.84	7.42	242.65	240.88	243.01	236.84	217.44
26	Food Retailing (15)	510.52	+0.8	9.76	3.50	12.26	506.38	502.50	507.40	500.56	380.48
27	Health and Household Products (7)	312.79	−0.3	8.84	4.72	13.51	313.88	306.13	317.64	308.43	224.07
29	Leisure (24)	399.67	+1.6	10.19	5.50	12.17	393.43	388.79	391.44	380.27	342.90
32	Newspapers, Publishing (12)	442.04	−0.1	13.92	6.79	10.29	442.38	439.81	439.31	432.60	440.33
33	Packaging and Paper (13)	128.28	+1.4	15.04	8.30	8.04	126.46	123.52	125.63	122.32	121.07
34	Stores (45)	230.56	+0.7	12.50	5.77	10.68	228.99	224.75	228.70	222.83	231.70
35	Textiles (23)	141.88	−0.2	8.86	6.48	15.73	142.21	139.06	139.29	138.20	118.88
36	Tobaccos (3)	249.81	+0.5	22.76	10.42	5.06	248.64	243.10	252.11	243.82	218.89
39	Other Consumer (14)	251.77	+1.6	8.99	6.89	17.00	247.75	249.97	245.19	241.70	0.00
41	OTHER GROUPS (80)	208.78	+0.5	11.88	6.78	10.78	207.66	204.04	208.46	204.46	217.82
42	Chemicals (16)	267.90	−0.4	6.02	6.70	27.64	269.00	260.68	271.28	263.76	292.40
44	Office Equipment (5)	97.47	+0.7	17.52	8.77	6.86	96.81	96.62	98.17	98.14	102.83
45	Shipping and Transport (13)	473.43	+1.1	22.34	7.74	5.33	468.44	458.21	464.45	461.43	562.23
46	Miscellaneous (46)	273.24	+1.4	13.79	6.11	8.79	269.40	268.43	269.53	264.75	279.01
49	INDUSTRIAL GROUP (487)	271.73	+0.7	12.43	5.84	9.97	269.78	265.57	270.08	263.70	249.45
51	Oils (13)	676.71	−1.5	21.04	8.34	5.38	686.79	680.84	660.95	637.84	869.33
59	500 SHARE INDEX	304.56	+0.3	13.97	6.29	8.65	303.59	299.23	301.78	294.05	298.47
61	FINANCIAL GROUP (119)	244.80	+0.6	—	6.21	—	243.28	240.57	244.55	237.60	248.65
62	Banks (6)	255.71	+0.7	34.92	7.36	3.37	253.81	252.75	257.22	252.09	248.15
63	Discount Houses (10)	239.99	+3.9	—	9.44	—	230.95	232.16	231.61	232.19	287.27
64	Hire Purchase (3)	215.56	+4.3	14.43	8.58	9.59	206.67	206.12	203.15	199.64	234.10
65	Insurance (Life) (10)	256.36	−0.7	—	6.22	—	258.09	257.28	262.55	254.11	258.84
66	Insurance (Composite) (10)	161.56	+0.5	—	8.29	—	160.77	157.60	161.94	158.09	173.88
67	Insurance Brokers (8)	409.78	−0.2	11.22	5.87	12.12	410.73	401.32	405.87	393.14	341.30
68	Merchant Banks (13)	145.45	+0.6	—	5.53	—	144.51	145.21	144.57	137.53	147.99
69	Property (50)	428.99	+1.0	4.48	3.32	30.22	424.90	417.22	423.42	408.65	459.72
70	Miscellaneous (9)	166.29	+2.0	19.49	6.65	6.23	163.02	163.81	162.59	157.77	154.20
71	Investment Trusts (110)	279.83	+1.5	—	5.72	—	275.67	272.43	273.73	270.88	276.72
81	Mining Finance (3)	244.88	+1.9	14.13	5.81	8.51	240.27	240.84	238.47	231.31	269.60
91	Overseas Traders (18)	405.85	+1.1	11.64	7.35	10.92	401.50	395.69	397.00	389.73	454.27
99	ALL-SHARE INDEX (750)	292.77	+0.5	—	6.25	—	291.29	287.43	290.09	282.78	290.88

FIXED INTEREST

	PRICE INDICES	Thurs., Oct. 8	Day's change %	Wed., Oct. 7	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	105.12	+0.26	104.86	—	7.82
2	5-15 years	99.92	+0.54	99.38	—	10.01
3	Over 15 years	101.43	+0.70	100.73	—	10.50
4	Irredeemables	108.84	+0.89	107.88	—	9.05
5	All Stocks	101.81	+0.50	101.31	—	9.38
6	Debentures & Loans	77.58	+0.83	76.95	—	8.18
7	Preference	58.91	−0.03	58.92	—	5.75

	AVERAGE GROSS REDEMPTION YIELDS		Thurs., Oct. 8	Wed., Oct. 7	Year ago (approx.)
	British Government				
1	Low	5 years	13.55	13.65	11.52
2	Coupons	15 years	14.00	14.06	11.52
3		25 years	14.07	14.15	11.52
4	Medium	5 years	15.87	15.93	12.95
5	Coupons	15 years	15.85	15.97	13.11
6		25 years	15.38	15.51	12.90
7	High	5 years	15.84	15.95	13.11
8	Coupons	15 years	16.03	16.14	13.35
9		25 years	15.66	15.78	13.12
10	Irredeemables †		13.83	13.95	11.14
11	Debs & Loans	5 years	16.50	16.67	13.96
12		15 years	16.92	17.06	13.87
13		25 years	16.96	17.08	13.79
14	Preference †		16.75	16.74	14.54

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Issue price p	Stock
110	Habitat
25	JapanAssets Trust
62	Jeavons Eng.
28	Lon. Private Health
—	Lowe's Co's US 50.50
100	MarineAdv. Sat.
—	Nippon Electric
100	Precious Metals Tst.
—	Stewart Ent. Warrs.
—	St'ckhold'rs F.E.
82	Thorpe
66	Utd Frd'ly Ins. B.R.V.
115	Williams Systems
—	Do. Rest. Div.

Other columns (amount paid up, latest renunciation date, 1981 high and low, closing price, + or −, dividend, times covered, gross yield, P/E ratio): [illegible]

FIXED INTEREST STOCKS

Issue price £	Stock
—	Amal. Dist. Products 10 Cv. Ln. '97
—	Austin (F.) Leyton 11% Pf.
100	Birmingham Drop-Lock '86/93
100	Do. [illegible]
—	Hawley Leisure 13½ Cum. Pref.
100	Nat'wide Bdg. Society [illegible]
100	Northern Utd. [illegible]
100	Portsmouth 10% Prf. 1986
—	Sterling Credit 8.5% Cnv. Red. Pref.
—	Do. Warrants
97.35	Utd. Mexican States 16½ Ln. 2008
100	York Waterworks 10% Red. Pref. '86

Other columns: [illegible]

"RIGHTS" OFFERS

Issue price p	Stock
60	Amal. Dist. Products
10	Astra Ind.
225	BICC
276	Bristol Stadium
76	Foseco Minsep
182	[illegible]
90	[illegible]
12½	Jantar
110	Lard Grp.
35	Lane (Percy)
107	Morgan Crucible
A$1	Pancontinental
112	Trusthouse Forte
360p	Utd. Scientific
250	Viner's

Other columns: [illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Comprising 50 Ord of 1p and £1 of 10pc Ln 1988.

OFFSHORE & OVERSEAS—contd.

Central Assets Management Ltd.
Channel Hse., St. Helier, Jersey. 0534-73673
Central Assets | £199.84 | 199.88 | +0.13 | —

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999
Emperor Fund* | $7.26 | 7.42 | — | —
Hispano | $43.34 | 45.53 | — | 6.30
*Prices at Sept. 30. Next sub. day Nov. 1.

Clawton Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724
Normandy Metal Trust | 1.3703 | 1.4424 | −0.021 | 4.00
Normandy Com. Tst. | 1.3088 | 1.3777 | +0.000 | 4.00

For Clive Investments (Jersey) see Invicta Investment Management

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. | 228.0 | 248.0 | — | —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. | US$70.73 | — | +0.50 | —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) | 85.1 | 85.2 | — | 15.35
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grunebergweg 113, 6000 Frankfurt
Investa | DM33.38 | 35.00 | +0.20 | —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Sept. 29 | $3.20 | 3.36 | — | —
London Agents: Kleinwort Benson. Tel: 01-623 8000

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra | DM17.25 | 17.68 | +0.02 | —
Int. Rentenfonds | DM58.52 | 59.98 | — | —

Dreyfus Intercontinental Inv. Fd.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. | 187.8 | 200.9 | +2.4 | 3.35

Ramineo Managers Ltd.
P.O. Box 1549, Hamilton, Bermuda. (809-29) 2-3979

Remaining offshore and overseas fund listings: [illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	62.6	67.3	+0.5	2.15
Abbey Capital	56.5	59.3	+0.8	4.37
Abbey General	56.6	60.3	+0.8	5.09
Abbey Gilt & F.I. Tst.	95.3	100.1xd	+0.6	13.30
Abbey Income	34.6	37.6xd	+0.6	9.25
Abbey Inv. Bd. Tst.	100.6	106.5	-1.3	6.29
Abbey Int. Ts. Fd.	49.5	53.5	+1.3	4.46
Equitas Prog. Tst.	82.3	89.0	+1.2	4.60

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314
AHR Gilt Trust	82.7	87.3	+1.5	14.00

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds
Allied 1st	85.9	91.9	+1.3	5.69
Brit. Inds. Fund	73.2	78.3	+0.9	6.12
Growth & Income	53.9	57.7	+0.7	4.53
Elect. & Ind. Dev.	43.8	46.9xd	+0.7	5.12
Allied Capital	92.7	99.2xd	+1.4	4.80
Hambro Fund	179.6	192.0	+1.9	4.77
Hambro Acc. Fund	183.3	196.3	+2.7	4.34

Income Funds
High Yield Fd.	61.0	65.3	+0.7	9.19
High Income	77.4	82.8xd	+0.9	7.73
Equity Income Fd.	44.5	47.6	+0.5	7.75
Govt. Secs.	23.4	24.8	+0.2	12.92

International Funds
International	36.6	39.2	-0.3	2.17
Japan Fund	28.7	30.7	-0.3	0.53
Pacific Fund	70.6	75.5	-0.2	1.58
Secs. Of America	84.2	90.1	+0.6	2.46

Specialist Funds
Smaller Co.'s Fd.	53.9	57.7	+1.2	4.07
2nd Smlr. Co's Fd.	66.5	71.1xd	+0.9	4.22

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931
Cres. Amer. Fd.	41.9	45.2	.....	0.55
Cres. Internat'l.	87.3	93.3	-0.2	1.59
Cres. High. Dist.	41.7	45.0	+0.6	10.00
Cres. Reserves	49.5	53.4	+0.7	5.62
Cres. Tokyo	37.7	40.7xd	-0.2	0.31

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324
Total Perf. Unit Tst.	22.3	24.0xd	.....	8.06

Discretionary Unit Fund Managers
36/38 New Broad St., EC2M 1NU. 01-638 4485
Disc. Inc. Sept. 25	224.1	239.1	.....	5.61

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893
Great Winchester	18.8	20.9xd	.....	8.30
Gt. Winchester O'seas	30.8	34.2xd	.....	3.40

For Embo and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377
UK Gwth. Tst. Acc.	49.9	53.6	+0.7	4.84
UK Gwth. Tst. Inc.	49.9	53.6	+0.7	4.84
Higher Inc. Tst. Acc.	49.6	53.3	+1.0	9.50
Higher Inc. Tst. Inc.	49.6	53.3	+1.0	9.50
Gilts/Fxd. Int. Tst. Acc.	48.6	51.1	+0.3	5.89
Gilts/Fxd. Int. Tst. Inc.	48.6	51.1	+0.3	5.89
Nth. America Tst. Acc.	48.1	51.7	+0.1	1.65
Far East Tst. Acc.	47.1	50.6	-0.6	0.09
Equity & Law	87.8	92.4xd	+1.2	4.82

Fidelity International Management Ltd.
20, Abchurch Lane, London EC4N 7AL. 283 9911
American (z)	38.8	41.8	+0.7	0.30
Amer. Spec. Sits. (z)	29.3	31.6	+0.6	0.05
Gilt & Fixed Int.	22.2	22.9	+0.2	13.71
Growth & Income	32.2	34.7	+0.5	7.43
Max. Inc. Eq. Tst.	27.1	29.2	+0.2	9.56
Special Sits.	37.1	39.9xd	+0.1	1.07

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114
Equity Accum. (2)	247.6	260.6	.....	4.16

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815
Property Fd. Aug. 31	153.90		.....	6.83
Wider Fund Aug. 31	286.75		.....	4.76
Narrower Fd. Aug. 31	72.20		.....	14.14

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
American	70.8	75.8	+0.3	2.36
(Accum. Units)	76.6	82.0	+0.3	2.36
American Recovery	77.3	82.7	+1.0	1.65
(Accum. Units)	79.8	85.4	+1.0	1.65
Australasian	88.1	94.3	+0.5	1.51
(Accum. Units)	92.6	99.1	+0.5	1.51
Commodity	123.9	132.6	-0.5	3.50
(Accum. Units)	147.2	157.5	-0.6	3.50
Compound Growth	171.2	186.4	-0.1	3.40
Conversion Growth	115.2	123.3	+0.6	2.78
Conversion Income	71.5	76.5	-0.1	9.49
Dividend	124.4	133.1	+0.4	10.19
(Accum. Units)	284.5	304.4	+0.7	10.19
European	60.2	64.4	+0.6	3.84
(Accum. Units)	67.0	71.7	+0.7	3.84
Extra Yield	76.4	83.3xd	+0.2	10.26
(Accum. Units)	128.7	140.3	+0.2	10.26
Far Eastern	104.4	112.7xd	+0.2	1.66
(Accum. Units)	120.2	129.8	+0.3	1.66
Fund of Inv. Tsts.	87.0	94.8	+0.3	4.99
(Accum. Units)	118.7	129.4	+0.5	4.99
General	221.2	237.8	+0.4	6.40

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2. Dealings 0705 27733
Capital	171.2	184.0	+0.7	2.51
(Accum. Units)	221.7	238.3	+1.0	2.51
Income Fnd.	218.6	235.0	+3.3	8.23
(Accum. Units)	385.8	414.8	+5.8	8.23
Gen.	129.3	139.0	+2.3	4.37
(Accum. Units)	177.7	191.0	+3.0	4.37
Europe	22.5	24.1xd	.....	2.95
(Accum. Units)	27.2	29.2	.....	2.95
Smaller Co.'s	146.5	157.5	+1.2	2.70
American	53.6	57.6	+0.4	0.28
(Accum. Units)	53.6	57.6	+0.4	0.28
Tokyo	54.9	59.0	+0.1	0.21
(Accum. Units)	54.9	59.0	+0.1	0.21
Gilt & Fixed	42.3	44.5	+0.6	12.90
(Accum. Units)	44.5	46.8	+0.7	12.90
Australian	51.2	55.6	+0.1	2.90
(Accum. Units)	51.5	55.9	+0.1	2.90
Singapore & Malay	—	—	.....	—
(Accum. Units)	—	—	.....	—
*Pn.&C. Fd. Sept. 22	241.4	259.5	.....	4.72
*Recovery Sept. 29	270.7	291.0	.....	4.56
*Spec. Ex. Sept. 15	481.1	517.7	.....	2.19
Euro. Exempt. Oct. 8	110.0	119.3	-4.2	3.03

*For tax exempt funds only.

Scottish Amicable Inv. Mngrs. Ltd.
150 St. Vincent St., Glasgow 041-221 8844
Equity Trust Accum.	97.2	104.9	+1.4	5.61

Scottish Equitable Fund Mgrs. Ltd.
28 St. Andrews Sq. Edinburgh 031-556 9101
Income Units	59.5	63.3xd	.....	5.45
Accum. Units	78.3	83.3xd	.....	5.45

INSURANCE & PROPERTY

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271
Prop Fd. (1st Issue)	—	323.5	.....	—
Prop Fd. (2nd Issue)	100.8	106.1	.....	—
Managed Fd.	94.7	99.8	.....	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356
N.C. Prop.	169.3	180.6	.....	—

Next sub. period Sept 30/Oct 15

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422
Royal Shield Fd.	198.2	209.7	.....	—

Save & Prosper Group
4, Gt. St. Helen's, Lndn., EC3P 3EP. 01-554 8899
Bal. Inv. Fd.	174.9	195.1	-0.2	—
Property Fd.*	233.1	246.7	.....	—
Gilt Fd.	142.1	150.4	+1.6	—
Deposit Fd.†	159.9	169.2	.....	—
Man. Pens. Fd.	307.6	325.6	.....	—
Equity Pens. Fd.	298.3	315.7	+4.5	—
Prop. Pens. Fd.*	453.5	479.9	.....	—
Gilt Pens. Fd.	120.0	127.0	+1.5	—
Depos. Pens. Fd.†	149.0	157.7	+0.4	—

*Prices on Oct. 7.
†Weekly Dealings.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
Equity	314.0	330.6	+1.5	—
Fixed Int.	158.2	166.5	+1.8	—
Managed	180.7	190.3	+0.6	—
Money	137.3	144.7	+0.1	—
Overseas	115.1	121.2	-2.0	—
Property	231.4	243.7	+0.1	—
CCM Vanguard	123.6	130.1	+1.5	—
K & S Govt. Secs.	133.6	140.8	+1.9	—
Income Distrib.	98.4	103.6	-0.2	—
Income Accum.	109.3	115.2	-0.1	—
Capital	102.4	107.8	+0.6	—
General	102.0	107.4	-0.7	—
Europe	96.7	101.9	-1.6	—
Smaller Co's.	100.3	105.7	-0.2	—
American	108.1	113.9	.....	—
Tokyo	109.1	114.9	.....	—
Gilt & Fxd. Int.	88.0	92.7	.....	—
Australian	99.3	104.7	+0.4	—
B.S. Pen. Cap	167.3	175.8	+0.3	—
B.S. Pen. Acc.	201.7	211.8	+0.5	—
Equity Pension Cap.	141.0	148.5	+5.2	—
Equity Pension Acc.	157.4	165.7	+5.9	—
Mngd. Pen. Cap.	292.5	308.0	+6.9	—
Mgd. Pen. Acc.	386.4	406.9	+0.3	—
F. Int. Pen. Cap	106.5	112.3	+0.8	—
F. Int. Pen. Acc.	119.5	125.9	+0.9	—
Money Pen. Cap	129.7	136.6	+0.2	—
Money Pen. Acc.	145.2	153.0	+0.4	—
Prop. Pen. Cap.	167.7	176.6	+0.1	—
Prop. Pen. Acc.	187.3	197.2	+0.3	—

Prices for Life Series 4, Oct. 7.
Pension Series B, Oct. 6. Other prices on request.

Scottish Amicable Investments.
P.O. Box 25, Craigforth, Stirling. 0786 3141
Equity	99.8	105.1	+0.5	—
Fixed Interest	91.2	96.1	+0.6	—
International	104.9	110.5	+0.8	—

Guaranteed		15.37	.....	—

Welfare Insurance Co. Ltd.
Winslade Park, Exeter. 0392-52155
Moneymaker Fd.		115.7	.....	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144
Investor Units	101.7	107.0	.....	—
Accum. Pen. Units	155.6	163.7	.....	—
Flex. Inv. Growth	132.7	139.7	.....	—
Future Assd Growth	28.0(a)	53.0(b)	.....	—
Ret. Ass'd Pen.		£35.10	.....	—

OFFSHORE & OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269
Adirenta	DM18.65	19.21	+0.05	—
Adiverba	DM48.79	51.23	+0.41	—
Fondak	DM27.97	29.37	+0.06	—
Fondis	DM22.97	24.12	+0.01	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Albany $ Fd. (CI)	US$155.67	158.33xd	.....	1.22

Next dealing Oct. 9.

Alexander Fund
37, rue Notre-Dame, Luxembourg.
Alexander Fund	US$12.38		+0.78	—

Net asset value Oct. 5.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741
AHR Dollar Inc. Fd.	US$10.02	10.04xd	.....	15.76
AHR Gilt Edg. Fd.	£10.67	10.71	+0.04	14.00

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Distribution Oct. 1-7 (0.002828) (15.9% pa)

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077
Dollar Income Tst.	US$95.7	100.2xd	+0.1	15.97
East Intl. & Energy	132.6	143.3xd	+0.9	0.87
Gov't Secs. Tst. (CI)	67.6	70.4xd	+0.3	15.15

Daily Dealings.
Sterling Fd.	130.4	130.5	.....	0.4

Dealing on Wed.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland
Bearer Shd. (Sept. 20)	9,700	10,200	.....	

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.
Wldinvest Income	US$107.15	107.69	.....	8.82

Prices at Sept. 23. Next sub. day Sept. 30.

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806
Barb. Int. Fund	109.9	117.9	-0.1	2.00

Continued on previous page

SURVEYORS VALUERS AND AUCTIONEERS
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01-629 9292

FT SHARE INFORMATION SERVICE

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CHILDHOOD OF A PLAYWRIGHT
ISLAM Naipaul among the believers

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The other South of France

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WITH
KIRI te KANAWA

Gilts & Grannies
Gilts v Index linked Bonds

and all the regular coverage in Saturday's FINANCIAL TIMES

INDUSTRIALS—Continued

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INSURANCE

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INSURANCE—Continued

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MOTORS, AIRCRAFT TRADES

Motors and Cycles

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Commercial Vehicles

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Components

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Garages and Distributors

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NEWSPAPERS, PUBLISHERS

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PAPER, PRINTING ADVERTISING

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PROPERTY—Continued

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TOBACCOS

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TRUSTS, FINANCE, LAND

Investment Trusts

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INVESTMENT TRUSTS—Cont.

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Finance, Land, etc.

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OIL AND GAS

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OIL AND GAS—Continued

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OVERSEAS TRADERS

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RUBBERS AND SISALS

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TEAS

India and Bangladesh

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Africa

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MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

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Finance

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[illegible]

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MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	45	+3	Q2.5c	—	3.5
41	14	ACM 20c	24	+2	—	—	—
21	10	Argosy Gold NL 25c	10	.....	—	—	—
229	134	Bond Corp.	138	+2	Q10c	2.3	4.5
112	70	Bougainville I Kina	81	−1	‡0.54c	1.0	‡
302	194	CRA 50c	206	−4	Q19c	1.7	5.6
25	10½	Canada Northwest	12	+1	—	—	—
35	13	Carr Boyd 20c	16	+1	—	—	—
415	43	Central Pacific	56	−12	—	—	—
35	9	Con. Gold Mm. N.L. 50c	9	.....	—	—	—
47	13	Cultus Pacific N.L.	17	+1	—	—	—
68	22	Eagle Corp. 10c	34	+2	—	—	—
40	26	Endeavour 20c	26#	.....	—	—	—
560	310	G. M. Kalgoorlie 25c	515	+15	Q32½c	ϕ	3.9
25	8	Great Eastern	9	.....	—	—	—
185	80	Greenbushes Tin 50c	90	.....	Q6c	1.9	4.1
275	140	Hampton Areas 10p	145	.....	2.5	3.1	2.5
168	36	Haoma Gold N.L.	39	−1	—	—	—
85	20	Intl. Mining	20	.....	—	—	—
118	29	Jimbe-lana (50cFP)	32	.....	—	—	—
15	10	Kalbara Min 20c	11	.....	—	—	—
245	135	Kitchener NL 25c	175	−5	—	—	—
105	20	Leichardt Expln.	24	−2	—	—	—
430	275	Meekatharra	370	.....	—	—	—
70	40	Metals Ex. 50c	43	.....	¶Q5c	ϕ	4.1
38	20	Metramar Mns. 20cts.	23	.....	—	—	—
20	10	Mid East Mins. NL	11½	.....	—	—	—
290	190	M.I.M. Hldgs. 50c	238	−2	Q15c	ϕ	3.9
21	7½	Minefields Expl. 25c	9½	.....	—	—	—
20	13	Newmetal 20c	16	.....	—	—	—
69	41	Nickelore N.L.	41	.....	—	—	—
204	149	North B. Hill 50c	172	+3	Q18c	ϕ	6.5
84	50	Nth. Kalgurli	77	−1	—	—	—
200	94	Nth. Mining Corp.	176#	.....	♦—	—	—
122	26	N. West Mining N.L.	27	.....	♦—	—	—
150	106	Oakbridge 50c	113	+2	Q6½c	ϕ	3.6
185	90	Oilmin N. L.	95	−5	—	—	—
188	116	Pacific Copper	116	.....	—	—	—
*423	140	Pancont'l 25c	144	+2	—	—	—
88	42	Paringa M&Ex.5p	72	.....	♦—	—	—
525	375	Peko-Wallsend 50c	400	+10	Q15c	—	2.3
43	16	Pelsart Res NL	16	.....	—	—	—
120	58	Seltrust A.	66	.....	—	—	—
157	18	Southern Pacific	25	+4	—	—	—
100	40	Swan Resources 20c	53	+3	—	—	—
316	75	Vultan Mins 20c	75	.....	—	—	—
18½	8	West Coast 25c	11	.....	—	—	—
130	90	Westn. Cont 50c	95		—	—	—
335	227	Westn. Mining 50c	288xd	.....	Q14c	ϕ	3.0
27	14	Westmex	14		—	—	—
76	38	Whim Creek 20c	46	+2	—	—	—
101	26	York Resources	27	.....	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	8½	Amal Nigeria 1p	9	.....	‡t6.0	—	—
300	210	Ayer Hitam SM1	210	.....	‡Q20.5c	1.0	‡
210	98	Geevor	165	.....	—	—	—
11	8	Gold & Base 12½p	9	.....	—	—	—
660	475	Gopeng Cons.	475	.....	‡30.0	2.8	‡
450	310	Hongkong	320	.....	21.0	ϕ	9.4
160	110	Idris 10p	155#	.....	‡9.0	0.8	‡
*29	10	Jantar 12½p	20	.....	t1.5	4.0	10.7
98	65	Kamunting SM0.50	65	.....	Q27½c	0.8	0.0
665	363	Killinghall SM1	500	.....	‡h066.7c	ϕ	3.0
114	88	Malay Dredging 10c	114#	.....	♦h038c	0.9	7.7
68	30	Pahang	30	.....	‡0.63	0.8	‡
118	90	Pengkalen 10p	107	.....	3.5	0.6	4.7
380	290	Petaling SM1	290	.....	‡Q180c	1.4	‡
25	19	South Crofty 10p	24#	.....	—	—	—
225	185	Sungei Besi SM1	190	+5	Q310c	1.1	36.8
185	90	Supreme Corp. SM1	90	.....	¶Q15½c	ϕ	3.9
118	100	Tanjong 15p	100	.....	3.5	3.7	5.0
90	60	Tongkah H. Tin $m	60	.....	Q23%	0.4	7.7
410	220	Tronoh SM1	220xd	.....	‡Q110c	1.2	‡

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
410	165	Messina R0.50	320	−5	‡Q45c	4.7	8.0

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	35	Anglo-Dominion	45	.....	—	—	—
25½	13	Burma Mines 10p	13	.....	0.75	0.9	8.2
330	85	Colby Res. Corp.	125	.....	—	—	—
330	200	Cons. Murch. 10c	270	.....	‡Q30c	1.8	6.4
10	6	††Explaura Gold	10	.....	—	—	—
98	47	††Hemerdon 10c	54	−7	—	—	—
180	65	Highwood Res.	105	.....	—	—	—
505	260	Northgate C$1	305	−5	—	—	—
633	372	R.T.Z.	490	+15	16.0	2.3	4.7
£130½	£93½	Do. 8½%Cv. Un.Ln.'95-2000	£108	+2	Q8½%	—	f9.2
103	13	††SPO Minerals 10p	26	+2	—	—	—
47	20	Sabina Inds. C$1	20	.....	—	—	—
44	21	††SWCM 10p	25	+1	—	—	—
585	465	Tara Exptn. $1	552	−3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution: this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * *Highs and Lows marked thus have been adjusted to allow for rights issues for cash.*
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ *Merger bid* or reorganisation in progress.
- ✤ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- ✦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	40xd	.....	Conv. 9% '80/82	£92	.....
Bertrams	8	.....	Nat. 9¾% 84/89	£68⅝	.....
Bdg'wtr. Est. 50p	400xd	.....	Fin. 13% 97/02	£72½	.....
Craig & Rose £1	£13	.....	Alliance Gas	45	+3
Finlay Pkg. 5p	21½xd	.....	Arnott	212	.....
Graig Ship. £1	£20	−1	Carroll (P.J.)	74	.....
Higsons Brew	63	.....	Concrete Prods.	90	.....
Holt (Jos) 25p	515xd	.....	Heiton (Hldgs.)	26	.....
I.O.M. Stm. £1	150	+2	Irish Ropes	42	.....
Pearce (C. H.)	740	+10	Jacob	64	.....
Peel Hldgs.	102	.....	T.M.G.	15	−1
Sheff. Refrshmt	90	.....	Unidare	60	−5
Sindall (Wm.)	190	.....			

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	House of Fraser	14	Utd. Drapery	6½
BOC Intl.	11	I.C.I.	18	Vickers	16
B.S.R.	7	"Imps"	5	Woolworths	5
Babcock	9	I.C.L.	4	**Property**	
Barclays Bank	36	Ladbroke	13	Brit. Land	7
Beecham	17	Legal & Gen.	20	Cap. Counties	11
Blue Circle	35	Lex Service	10	Land Secs.	30
Boots	18	Lloyds Bank	28	MEPC	20
Bowaters	19	"Lots"	3½	Peachey	15
Brit. Aerospace	17	London Brick	7	Samuel Props.	13
B.A.T.	28	Lucas Inds.	18	Town & City	2¼
Brown (J.)	8	"Mams"	11	**Oils**	
Burton Ord.	12	Mrks. & Spncr	10	Brit. Petroleum	28
Cadburys	8	Midland Bank	26	Burmah Oil	11
Courtaulds	5½	N.E.I.	8	Charterhall	6
Debenhams	7	Nat. West. Bank	30	KCA	12
Distillers	17	P & O Dfd.	10	Premier	6
Dunlop	7½	Plessey	26	Shell	28
Eagle Star	25	Racal Elect.	34	*Tricentrol*	25
F.N.F.C.	3½	R.H.M.	5	Ultramar	40
Gen. Accident	30	Rank Org. Ord.	18	**Mines**	
Gen. Electric	55	Reed Intnl.	25	Charter Cons.	21
Glaxo	28	Sears	5	Cons. Gold	40
Grand Met.	16	Tesco	5½	Lonrho	7
G.U.S. "A"	44	Thorn EMI	35	Rio T. Zinc	45
Guardian	30	Trust Houses	15		
G.K.N.	12	Tube Invest.	18		
Hawker Sidd.	25	Turner & Newall	10		
		Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

Industrial revolutions
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Needle Bearings
FAG
Keeps things rolling

FINANCIAL TIMES

Friday October 9 1981

BELL'S
SCOTCH WHISKY
BELL'S

Aslef calls one-day strike

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL train drivers plan a one-day official strike on October 21 over cuts in services. BR's Southern Region services to and from Waterloo station in London are expected to be heavily disrupted today by unofficial industrial action over the same issue.

Further difficulties for BR could result from radical proposals from the industry's largest union, the National Union of Railwaymen, on its members' working time. The union wants an end to overtime and rest-day working in an effort to reduce unemployment.

The official strike was called yesterday at a meeting of the seven-man executive of the drivers' union, the Associated Society of Locomotive Engineers and Firemen (Aslef). Though no formal statement was issued after the executive meeting, instructions were being sent out to branches for all members to stop work for 24 hours on that date.

A strike by Aslef members would halt all BR's passenger and freight services on the day, and would have associated disruptive effects on days before and after the strike.

BR is expected today to seek urgent talks with the union over the executive's decision.

The union has been under pressure since early summer from some of its members to take action over the introduction of timetable changes which some Aslef members see as a threat to jobs. BR's application for funding of its electrification programme earlier this year was jeopardised at the time by another Aslef strike threat and the executive decision yesterday will do little to convince some Government Ministers of the union's willingness to co-operate fully with the linked proposals on productivity and further electrification now under discussion.

The decision stems specifically from timetable changes on the Waterloo - Bournemouth line. The new timetable was introduced last Monday but the main changes objected to by train drivers do not take place until the Sunday services.

BR has cut three fast Sunday services to and from Waterloo. It claims the changes are part of its switch from summer to winter timetables, and that the unions were told about it early in the summer. But local train drivers see the changes as a precursor of further and more extensive changes next summer.

Some local Aslef officials saw the executive's call for an official strike on October 21 as an attempt to head off unofficial action which was due to begin at Waterloo at midnight last night. However, one official said the decision would only serve to stiffen the action, and that Waterloo would be "100 per cent closed" today.

BR Southern Region forecast severe disruption and said that at least a quarter of Waterloo's services would be hit.

In particular, there are expected to be no services at all on the Waterloo-City line, which is manned entirely by Waterloo-based drivers.

The NUR's radical proposals for reducing overtime in the industry could run into opposition both from BR, which might see them as possibly leading to increased overtime because of non-recruitment of further staff, and from union members, some of whom depend on overtime to build up basic rates.

The NUR proposals, which have already gone before its increasingly left-influenced executive committee and before BR's highest-level negotiating body, suggest the following "drastic measures":

- From April 19 next year all staff on basic rates of £100 per week (£5,217 per annum) should end rest-day working; overtime should be restricted to 20 hours in every four-week period; and overtime for staff below these rates restricted to 40 hours per four-weekly period.
- From October 1 next year staff on basic rates of £80 per week (£4,173 p.a.) to £100 per week should end all rest-day working; and the limit on overtime working of staff between these rates should be cut from 40 to 20 hours per four-week period.
- From April 18 1983 staff on basic rates of less than £80 a week should end rest-day working; and the overtime limit for staff on basic rates of less than £80 a week should be cut from 40 to 20 hours per four-week period.

The document states, however: "Staff whose earnings are affected by these proposed changes must be compensated accordingly. There must, therefore, be an increase in rates of pay to coincide with implementation of the changes."

EEC tells Japan to act on trade gap

By Giles Merritt in Brussels

JAPAN was given a clear warning yesterday that it must abandon its present "perilous" trade policies immediately or face tough EEC action.

The threats being made against Japan if it fails to restrain its exports and abolish import barriers range from action under the General Agreement on Tariffs and Trade (GATT) to "breathing space" controls aimed at protecting the EEC's most vital industries.

The European Commission and the Brussels-based UNICE European employers' organisation both warned Japan that urgent trade concessions were essential if a trade war was to be avoided.

The warnings were issued to a mission of top-ranking Japanese business leaders touring EEC capitals. The concerted attack has come as a surprise, however, because the Japanese government-sponsored mission, which groups the heads of companies like Nissan Motors, Sumitomo Chemicals, Hitachi, Mitsubishi and Bank of Tokyo, was intended to assess industrial investment opportunities in Europe.

But Commission officials opted to use the mission's visit to Brussels to stress the serious consequences of Japan's failure to curb its rising trade surplus.

Herr Wilhelm Hakerkamp, the EEC External Affairs Commissioner, put the Community's likely 1981 trade gap with Japan at a record $15bn (£7.9bn) and warned that selective import controls to curb cars, televisions and machine tools may have to be imposed.

According to senior Commission officials, these would probably run for five years while EEC restructuring took place.

The UNICE welcome to the Japanese mission was similarly cold.

In a formal statement Sig Guido Carli, the organisation's president, accused Japan of operating import restrictions from non-tariff barriers to secret quotas and of operating price cartels that cornered supplies of key industrial materials to the EEC's disadvantage.

The European Commission's renewed efforts to force Japan to act quickly to redress the worsening trade imbalance is likely to be echoed in London when the Japanese mission shortly holds talks with senior ministers, and later when it visits Paris, Bonn and Rome.

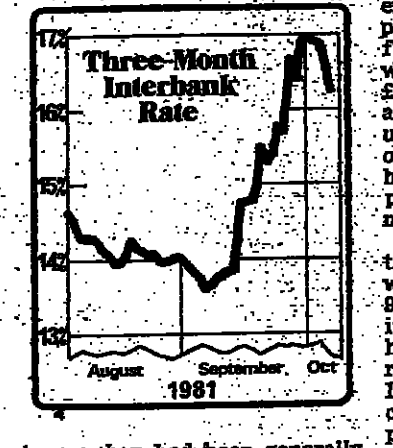
Brussels officials hope the Japanese Government will be able to outline a package of trade measures to avert protectionist action by the Community in early November,

"Super" computer talks, Page 8

THE LEX COLUMN

Shifting pattern in currencies

Index rose 1.0 to 487.7



The signs of an easing in American short-term interest rates were yesterday producing some sizeable adjustments in the foreign exchanges, and were encouraging lower money rates in several European countries.

But, in New York, it already looks as though the game might have changed a little once more, with short-term dollar rates if anything slightly firmer and long bond prices falling back by half a point or more in early dealings. Meantime, stories of rioting in Egypt underlined the persistence of political uncertainties in the Middle East. Certainly, there has been gossip about substantial volumes of Arab money on the move this week and, with sterling up more than three cents to $1.90 in London yesterday, the suggestions that foreigners have been moving back into the gilt-edged market have acquired a degree of credibility.

In New York the recent slight easing in money rates—Chase Manhattan cut its prime rate to 18½ per cent yesterday—has initially been welcomed by the financial markets. But there is a strong undercurrent of scepticism among those who feel that the Federal Reserve is bending to U.S. government pressure at a time when some of the broader monetary indicators still look far from healthy.

Hence the fact that the long bond market has only partially responded to the easing at the short end, so that long dollar bond yields remain quite close to their peaks. And judging by yesterday's developments in the Eurodollar bond market, even the present high rates will not discourage a substantial supply of new corporate issues.

The eurobond market was suddenly inundated with a $400m flood of new paper with yields in the region of 17 per cent. Prices eased in the secondary market in anticipation that there might be problems in digesting offerings on this scale. And in the DM sector, which has been quiet for much of the year, German banks were meeting last night to arrange what looks like being a heavy calendar for the coming month.

The banks will certainly be encouraged by yesterday's announcement that the Bundesbank is cutting one of its key interest rates, the special Lombard rate, from 12 to 11 per cent. The timing of the move—Lombard had held at this level for more than six months—might seem curious coming just after the DM revaluation. The DM is now close to the bottom of the European Monetary System and yesterday's cut was larger than had been generally expected.

But the Bundesbank has come under strong pressure to reduce interest rates in the light of West Germany's improved current account position and recent cuts in Government spending. It is clearly gambling that yesterday's move will not intensify selling pressure on the mark but can, in any event, use the EMS currencies it bought before the revaluation to defend the DM. Last night the mark was holding up well against the dollar.

How all this fits in with the exceptional strength of sterling which, on the trade-weighted index rose 1.4 points yesterday to 89.8, is not entirely clear. However, sterling interest rates are now higher than the Eurodollar rates for any period shorter than about three months and the oil factor tends to make sterling respond positively to Middle Eastern crises.

If the level of sterling is the key to the authorities' attitude to interest rates, then the prospects for a further fall look fair although, with seven-day inter-bank rates at around 15¾ per cent last night, the opportunity for a cut in clearing bank base rates to 15 per cent has not quite arrived. Meantime the authorities took advantage of the better climate to get some funding done; according to some dealers, the Government Broker may have virtually sold out two of his three taplets yesterday.

Minet Holdings

Latest half-year results from the insurance brokers have been encouraging, with most reporting respectable increases. Yesterday's figures from Minet Holdings showing a 46 per cent increase in pre-tax profits to £5.8m suggest that the group could produce a full year outcome similar to the £12.4m declared in 1976.

Minet has gained to a greater extent than most of its competitors in money terms from foreign exchange movements which have lifted profits by £1m. Similarly, overall brokerage growth of a fifth masks an underlying expansion in volume of only some 8 per cent. Minet has also scored a thumping 7? per cent increase in investment income.

While the group has a relatively tight control on expenses which have increased by only 9 per cent in broking, surprisingly its Lloyd's agency income has fallen by 17 per cent in a record underwriting year for Lloyd's. Increased expenses on computer systems, as well as problems with one syndicate now sorted out, have been blamed. The shares shed 1p yesterday to 145p, to produce a yield of 4.9 per cent.

Rights issues

With the final date for acceptances coming up next week underwriters of the John Brown rights issue must be staring nervously at the current share price of 70p, 6p above of the exercise price. But the other outstanding major issue which has straddled the September shake-out in the equity market—Foseco Minsep's—is beginning to look more comfortable. In fact underwriters seem to have escaped the shake-out rather lightly. Habitat, in retrospect, afforded the best stagging opportunity since the British Aerospace launch, and BICC got away safely. Trusthouse Forte was only a partial success, but the outcome could have been a great deal worse given that the issue price was stranded; so the only real flop of any size so far has been the Morgan Crucible issue. The 17-20 per cent discounts now typical have proved their worth.

A gap of a fortnight has now opened up since the announcement of an issue of any size—Habitat's—and the market is beginning to wonder what the future holds. There is still extreme sensitivity on this front—the falling away at the close in the market yesterday came largely on rumours of a big impending rights issue. The queue is thought to have slimmed down considerably. But Cable and Wireless is expected to come to the market before the end of the month and the scale of its demand—possibly £150m—is likely to take up a good chunk of the available capacity.

SDP seeks compromise on private education

By Elinor Goodman

THE Social Democrats yesterday invited leaders of Britain's public schools to start talks about ways of integrating with the state system.

The party is also to review the tax privileges enjoyed by public schools. The two moves are clearly aimed at defusing the issue of private education, which threatens to be one of the most sensitive for the Social Democrats, and at finding a formula which will enable the party to paper over the differences within its own ranks on the subject.

The moves came as the party's travelling conference moved onto London amid signs that the SDP leadership may well have to modify its proposals for the party's constitution.

Private education is one of the issues on which the SDP leadership is split. Mrs Shirley Williams is on record as saying she would like to abolish public schools altogether, but the majority of members on the steering committee disagree with her and yesterday Dr David Owen repeated his belief that people should be free to spend their after-tax income on private education.

Neither took part in yesterday's debate on education. Instead it was left to Mr John Roper, the party's whip, to find a form of words acceptable to both sides.

Conference reports, Page 12
Education issues may beat Mrs Williams, Page 12
Politics today, Page 23

He was careful to acknowledge the contribution the private sector had made to Britain's educational system, but went on to say, to loud applause, that the party would be "failing" if it did not point out that the existence of a significant private sector "has divided and continues to divide our society."

He said the social consequences of a private education are immeasurably greater than a private health service. He did not think social divisions caused by education could be healed by compulsion. The Social Democrats had to try to achieve "an integration of the educational system by which the strength of some of our independent schools could be used to the advantage of the whole community."

Mr Roper left open precisely what he meant by "integration" plans for schools. His carefully worded speech represents a watering down of the party's earlier thinking on education.

In a discussion document issued last month the SDP talked of withdrawing existing public support for private schools. Yesterday, Mr Roper merely called for a review of the tax relief allowed to public schools. This change reflects concern among the SDP leaders over the electoral consequences of all-out opposition to public schools.

And yesterday the party was at pains to point out—presumably for the benefit of the electorate in Crosby—that Mrs Williams had agreed with a form of words used by Mr Roper.

The 2,500 SDP members assembled in Westminster's Central Hall for the fifth day of the party's travelling conference were more assertive than their Perth and Bradford counterparts.

They made it clear that they did not accept the leadership's proposals for large area parties, and preferred local parties.

Walesa's men sweep to victory in Solidarity committee voting

BY CHRISTOPHER BOBINSKI IN WARSAW

MR LECH WALESA, leader of Solidarity, regained the initiative yesterday in his struggle to maintain control of the independent Polish trade union movement when the national committee approved his nominees for key posts.

This follows his partial setback at Solidarity's national congress in Gdansk earlier this week when he was elected leader by a relatively narrow margin.

Congress delegates also chose the 107-member national committee which earlier seemed likely to be dominated by opponents of Mr Walesa's moderate policies.

At the committee's first meeting yesterday its members bowed to his demand that they approve his nominees to Solidarity's ruling presidium. This group will decide day-to-day union policy.

The national committee, which will serve as a forum for opinions from regional branches, will probably meet once a month.

Mr Walesa's nominees, for whom he won strong support in behind-the-scenes negotiation, were elected by secret ballot.

Only one of his proposed presidium members, Mr Bogdan Lis, who is a member of the Communist Party, failed to be elected.

The national committee agreed to Mr Walesa's suggestion that the heads of the six largest branches in the country join the 12-man presidium.

The means that Mr Jan Rulewski from Bydgoszez and Mr Marian Jurczyk from Szczecin, who have reputations as radicals and stood against Mr Walesa for the top union post, have been excluded because their regions are too small.

Well-known radicals like Mr Andrzej Gwiazda from Gdansk who was formerly deputy head of the union, chose not to challenge Mr Walesa's suggestions.

Mr Walesa said after the meeting that he was surprised there had not been more of a struggle.

The 11 members of the presidium chosen yesterday will live in Gdansk. Each will be responsible for a specific sector of union activity.

Ronson lighter plant for sale

BY JAMES McDONALD

THE RONSON lighter manufacturing plnat in Leatherhead, Surrey—a factory and office complex of 230,000 square feet on an 11-acre site—is being put up for sale.

It will be advertised in the national Press next week as available freehold to owner occupiers, development companies or property companies.

Mr Jeffrey Port, Cavwain chairman, is expected to complete arrangements today for the purchase of the business and trading assets of Ronson Products from the receivers and managers at an undisclosed price.

The receivers—put in by Barclays Bank in mid-August—announced the deal with Cavwain on September 8. Two days later, Mr Port said that, while it might not be possible to save all the jobs involved, some, at least, he hoped would be saved by his personal efforts.

Ronson Products has two British plants—the main Leatherhead factory and a smaller electric shaver plant at West Chirton, Tyne and Wear. The receivers have already halved the Ronson labour force. There are now fewer than 500 employees at Leatherhead and about 120 at West Chirton.

Completion of the purchase arrangements between Cavwain and the receivers should have taken place on Friday but was delayed for a week so that "complex legal requirements of completion" should be properly effected. A Cavwain statement said that Cavwain's solicitors had warranted the availability of funds in time for completion last Friday "if it had been legally possible."

Interest rates

Continued from Page 1

This automatically boosts the importance of Britain's North Sea oil.

In Frankfurt, after the regular fortnightly meeting of the Bundesbank Central Council, the Central Bank announced that it was cutting the Lombard rate from 12 per cent to 11 per cent.

The special Lombard rate was introduced in February this year, when the Bundesbank raised its leading interest rate from 9 per cent to 12 per cent to defend the Deutsche Mark, which was under heavy pressure on the foreign exchange markets.

The cut in the Lombard rate is expected to lead to further reductions in German money market interest rates, which have ben falling recently. But some bankers feel it is unlikely that this will lead to an early reduction in the lending rates the banks charge private customers or smaller and medium sized companies. Instead it is thought the banks will first take advantage of the lower money market costs to improve their profit margins.

A reduction in the Lombard rate had been widely expected following the revaluation of the D-Mark within the EMS last weekend. It was felt the revaluation had created room for the Bundesbank to respond to political pressure and slightly relax its monetary reins.

In spite of the Lombard move the D-Mark closed strongly against the dollar in London yesterday at DM 2.2045 against DM 2.2190 on Wednesday, its highest for over five months. This was widely attributed to the downward trend in U.S. interestrates

Continued from Page 1

Mortgages

buyers' confidence. Some housebuilders fear house prices may start to fall as a result of a further rise in mortgage rates.

Building societies have also reported lower demand for mortgages over the past couple of months reflecting increased competition from bank mortgages

In this climate some of the larger societies wanted a lower level of increase in the mortgage rate—to about 14¾ per cent. Other societies sought to push the base mortgage rate up to 15¼ per cent with a correspondingly higher increase in investment rates. This would have been a move to stave off competition in the personal savings market from both the Government and the banks.

Texaco makes important oil find

BY RAY DAFTER, ENERGY EDITOR

TEXACO has made what it calls an important oil discovery in the North Sea which could clear the way for a $3bn (£1.6bn) development project.

The oil was found in block 3/4, 85 miles east of the Shetland Islands and immediately north of the North Alwyn oil and gas field owned by two French companies, Total and Elf. It is thought the oil identified by Texaco will be produced as part of the North Alwyn development.

Total and Elf had delayed seeking Government approval for the exploitation of the field until they knew more about the reserves held by Texaco.

They had also been held up by uncertainties over the future of the Government's proposed £2.7bn gas gathering system. The Energy Department wanted North Alwyn gas to be fed into the proposed gathering network, whereas Total and Elf preferred to use their Frigg Field gas pipeline, which is already in operation.

That uncertainty has now been cleared with the abandonment of the Government's gas gathering project.

Texaco's discovery is thought to confirm the recoverable reserves in North Alwyn at about 130m barels of oil and 750bn cubic feet of gas. The reserves are expected to be exploited through two fixed platforms at a cost—estimated by stockbrokers Wood, Mackenzie—of about $3bn.

The Texaco discovery well produced light, high-quality oil at a maximum rate of 7,239 barrels a day. In addition the drilling rig Pentagone 84 tested gas at a rate of 8.98m cubic feet a day.

Texaco said the well could be used for commercial production at a later date. It was considering the potential for commercial production in the light of newly established tax regulations—a hint that no development decision would be taken until the outcome of the Government's review of North Sea taxes is known next spring.

The U.S. company said it was also re-evaluating earlier discoveries in the block. Further drilling might be undertaken to see whether these finds—made as long ago as 1973—could be exploited commercially in the near future.

Weather

UK TODAY

CLOUDY with rain and showers. Bright intervals. Temperatures near normal, except in N Ireland and NW Scotland, where it will be colder.

South and Central England
Cloudy with rain at first. Brighter later with showers. Max 15C (59F).

Wales, W England and Borders
Sunny intervals with showers. Max 14C (57F).

Scotland, N Ireland, Orkney and Shetland
Cloudy, rain at times becoming brighter later in N Ireland.

Outlook: Sunny intervals and showers. Cold, especially in the North.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	23	73	L. Ang.†	C	17	63
Algiers	F	27	81	Luxmbg.	F	14	57
Amsdm.	C	15	59	Luxor	S	36	97
Athens	S	29	84	Madrid	F	23	73
Bahrain	S	35	95	Majorca	F	28	82
Barclna.	S	23	73	Malaga	C	21	70
Beirut	S	28	82	Malta	S	30	86
Belfast	C	12	54	Mchstr.	R	15	59
Belgrd.	S	21	70	Melbne.	S	19	66
Berlin	C	15	59	Mx. C.†		—	—
Biarritz	F	23	73	Miami†	C	26	79
Bmghm.	C	15	59	Milan	F	20	68
Blackp'l	R	14	57	Montr'l†		—	—
Bordx.	F	23	73	Moscow	R	14	57
Boulgn.	C	15	59	Munich	S	16	61
Bristol	C	16	61	Nairobi	C	26	79
Brussels	C	14	57	Naples	S	25	77
Budpst.	S	19	66	Nassau		—	—
Cairo	S	30	86	Nwcstl.	C	9	48
Cardiff	C	16	61	N York†	F	11	52
Casbca.	S	25	77	Nice	S	23	73
Cape T.	S	29	84	Nicosia		—	—
Chicg.†	C	4	39	Oporto	F	19	66
Cologne	C	16	61	Oslo	F	12	54
Cpnhgn.	R	11	52	Paris	F	16	61
Corfu	S	28	82	Perth	C	17	63
Denver†	F	11	52	Prague	F	16	61
Dublin	C	15	59	Rykjvk.	C	2	36
Dbvrnk.	S	25	77	Rhodes	S	28	82
Ednbgh.	C	7	45	Rio J'o†		—	—
Faro	S	23	73	Rome	S	23	73
Florence	S	22	72	Salzb'rg	S	17	63
Frankf't	C	16	61	S'ciscot	F	12	54
Funchal	F	22	72	S. M'ritz		—	—
Geneva	S	16	61	Singapr.		—	—
Gibrltr.	C	19	66	S'tiago†		—	—
Glasg'w	C	8	46	Stckhm.	C	9	48
G'rnsey	C	15	59	Strasb'g	F	18	64
Helsinki	C	9	48	Sydney	S	20	68
H. Kong	F	30	86	Tangier	C	24	75
Innsbr'k	S	18	64	Tel Aviv	S	29	84
Invrnss.	S	8	46	Tenerife	F	25	77
I.o.Man		—	—	Tokyo	R	18	64
Istanbul	S	22	72	Tor'nto†	C	7	45
Jersey	F	16	61	Tunis	S	25	77
Jo'burg	F	23	73	Valencia	C	23	73
L. Plms.	C	21	70	Venice	S	23	73
Lisbon	F	23	73	Vienna	S	18	64
Locarno	F	19	66	Warsaw	F	13	55
London	C	16	61	Zurich	S	15	59

C—Cloudy. F—Fair. R—Rain. S—Sunny
† Noon GMT temperatures.

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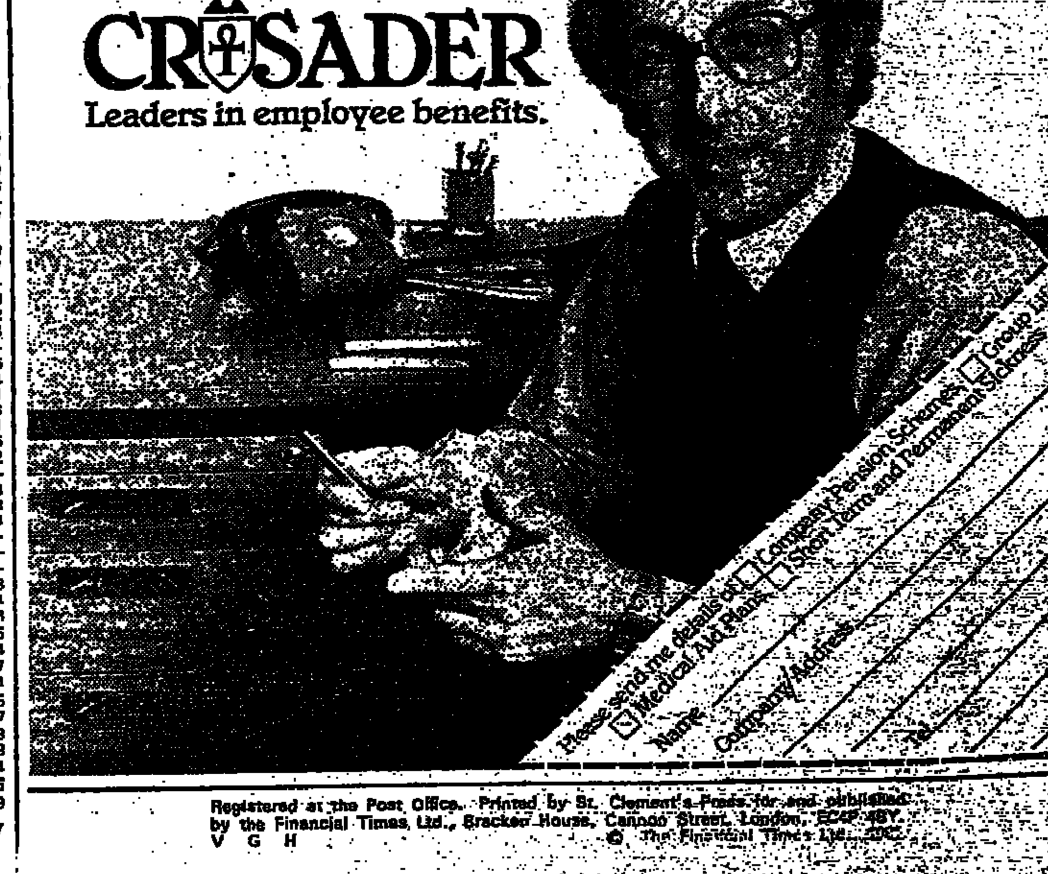

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